Investment Bankers—Assets or Liabilities?—J. H. Gundy's View

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

ENLARGED MINING SECTION A WEEKLY FEATURE PAGES 14-16

The Canadian Newspaper for Business Men and Investors

Vol. XXVIII — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, JUNE 30, 1934 — 10c a Copy; $5.00 a Year — No. 26

The Nation's Business

Mr. Hepburn's Plans For Ontario
Not Radical, But Very Conservative
Stevens Committee Should Resign
Enquiry by Experts Is Desirable
Canada Needs Combines Control

A Statesman If He Does It

MITCHELL HEPBURN, premier-elect of Ontario, made many striking promises during his election campaign and he has alarmed many of his supporters by continuing to do a great deal of talking since the election. He has burned behind him a few bridges that he may find it desirable to rebuild. But on the whole he has achieved what must have been his purpose; to stir up public comment and find out what people really do think about his ideas. And this is highly desirable. It is better to find out in advance what weaknesses may be inherent in any policy than to pass legislation and find out afterward whether or not it is acceptable or workable.

* * *

THERE is an inclination to read a large measure of Socialism or radicalism into Mr. Hepburn's political promises. And in truth, one can find in his individual undertakings some rather ill considered comments. But it is of greater importance that when one adds up all his interviews and speeches to arrive at the basic philosophy of his policy it is not Socialist, not radical, not revolutionary at all. In fact it is ultra-conservative to a marked degree.

In essence what Mr. Hepburn undertakes to do as prime minister is to stop the increase in public debt, to reduce it if possible, to cut provincial expenditures and to consider no present function of government sacred or inviolable until it has been demonstrated to be so.

* * *

A GREAT many people have come into position of political power on the vague promise of cutting expenditures. But in the past generation, and until Mr. Hepburn was elected, no political leader has assumed office on a definite programme of effecting economies in the only manner in which they can be effected, namely by abolishing entirely various offices, departments, commissions, bureaus and other limbs of government.

It has constantly been remarked by the more penetrating students of governmental cost that it is easier to start a new governmental department than to chloroform it when it has served its usefulness. So every year we have new functions assumed by government and almost never do we see some of the old ones dropped and restored to individual initiative.

* * *

IF MR. HEPBURN is earnestly determined to effect some major operations to achieve his objective then he is deserving of the support of every good citizen of Canada. For what he has undertaken is a matter of national interest. If he succeeds he will have blazed a trail which other provincial premiers and the Dominion prime minister can avoid only at great political peril.

So much for Mr. Hepburn's aspirations. As to the sincerity of his promises and as to his ability to carry them through the answer is yet to be written. But the more conservative the citizen, the more he should wish Mr. Hepburn success in lopping away the mouldering branches on the tree of government.

* * *

Time to Begin Impartial Enquiry

ENOUGH has been disclosed at Ottawa to demonstrate the necessity for the Stevens enquiry. But the method of dealing with the evidence has made it apparent from the beginning that Mr. Stevens's primary consideration has been to substantiate the statement made in a speech in Toronto that mass buying lay at the root of most of our economic and social ills.

Frequent speeches made by Mr. Stevens during the course of the enquiry have not given reason for any confidence that the evidence would receive impartial consideration. At the very time that evidence was being presented Mr. Stevens was condemning those whose cases had not yet been heard. Is this not contrary to the most elementary principles of British justice?

* * *

CANADIANS have a right to know the truth about what has taken place but they also have a right to

(Continued on page 2, col. 3)

BOND OFFERING MACLAREN PR. NOW ON TAPIS

$6,000,000 Issue Sold to Syndicate — Offering Within 2 Weeks

1ST MORTGAGE ISSUE

Contemplated Debenture Issue Expected to be Withheld Pending More Favorable Market

From Our Own Correspondent

MONTREAL.—Final preparations are being made for the public offering of $6,000,000 of Maclaren Quebec Power Co.'s first mortgage bonds. A syndicate of several of the larger houses has bought the issue from the company and it is likely that the offering will make its appearance toward the end of this week, or in the early part of July.

Expected in Toronto

Offering of $6,000,000 of Maclaren-Quebec Power Co. 5½ per cent first mortgage bonds is expected in the near future in financial circles. It may come within two weeks, it is reported. Dominion Securities Corp., underwriters of the 1931 issue of $12,000,000, would not confirm the report.

The recent annual statement of the parent company, Maclaren Power and Paper Co., stated that an issue of $4,000,000 of second charge debentures of the power company is also contemplated. However, it is believed that present financing plans are likely to be confined to sale of the first mortgage bonds. This, it is thought, would serve to test the receptiveness of the market, and might pave the way for the debenture issue later.

Current market prices for Maclaren-Quebec 5½ per cent first mortgage bonds of 1961, which were issued in 1931, is about 98½ bid, 99 asked. This compares with an issue price of 94 in 1931. A new issue might be made at less than the current market price for the 1931 bonds because it appears probable that only Canadian payment bonds would be offered under present uncertain conditions of foreign exchange. The 1931 issue carries optional payment in Canada, New York or London.

While there is no market for debentures by which definite comparison might be made, Gatineau Power six per cent debentures are selling between 88 and 90. These are payable in Canada or the United States, which would indicate a lower price if only Canadian payment were offered. Although the proposed debentures of Maclaren-Quebec Power would not be strictly comparable, the price of the Gatineau debentures would indicate that the present market might not be considered sufficiently attractive for a Maclaren-Quebec debenture issue.

Maclaren-Quebec Power Co. had a current liability at Nov. 30, 1933, for $6,000,000 of bank loans secured by deposit of a similar amount of first mortgage bonds. Sale of these bonds would reduce the working capital deficit to slightly over $2,000,000. This, in turn, would be wiped out by a debenture issue of $4,000,000, the amount mentioned in the annual report, which might also provide sufficient funds to cover $1,000,000 of final construction costs, and leave a balance for working capital.

Consolidated income account of the parent company, Maclaren Power and Paper Co., for the year ended Nov. 30, 1933, showed a loss of $2,024. This year, however, deliveries of power to the Ontario Hydro Commission jump from 20,000 to 40,000 h.p. on July 1. Moreover a charge of $88,600 for U. S. exchange on the Maclaren-Quebec bond interest will be avoided, if foreign exchanges stay at approximately their present levels. Annual increase of the power contract with the Ontario Hydro, up to 125,000 h.p. in 1936 is expected to bring in substantial profits above all interest charges.

May Auto Output At Highest Point Since May, 1930

Production of automobiles during May at 20,161 units marked the highest monthly total since May, 1930. Of the May, 1934, total, 15,188 were produced for the domestic market and 4,973 for export.

Reports on May production of other heavy industries, released during the past week showed gains

		— Change — From prev. period %	From prev. year %
Monthly	**June, '34**		
Employment‡ Index	94.2	....	+19.5
	May, '34		
Auto production No.	20,161	+9.8	+114.6
Coal output, tons	1,017,336	+25.9	+50.0
Coke prod., tons	185,471	—0.1	+38.0
Iron output, tons	38,189	+30.6	*
Steel output tons	71,437	+1.4	+208.7
Elec. output M. kw.h.	1,820,681	+7.8	+35.5
Cigarettes cons. No.	431,667,650	+23.0	+19.7
Weekly†			
W'sale prices, No.	71.9	....	....
Car loadings, No.	44,482	+3.6	+9.6
Cattle sales, No.	10,486	+2.0	+16.0
Hog sales .. No.	15,366	+1.7	—21.4
D.B.S. bus. index No.	82.0	—1.6	+6.4

*No production in May, 1933.
†Weeks ended June 22, 16, 21, 21 and 16, respectively.
‡Corrected for seasonal variation.

Reliance Grain Net in 1933-34 Moves Ahead

From Our Own Correspondent

MONTREAL. — Reliance Grain Co.'s financial statement for the fiscal year ending next month is expected to show a satisfactory improvement in earning power as compared with the preceding twelve months period.

Indications are that the company will show its bond interest earned, depreciation covered, together with a balance available for the preferred stock. The latter amount will not be known, of course, until all accounts have been audited but it is possible that the amount will not be far short of the $130,000 needed to cover dividends.

During the fiscal year 1933 Reliance Grain's balance sheet showed an operating profit of $351,973. This compares with $325,783 in 1932. After providing for bond interest, depreciation and income tax reserve, there was a balance of $25,252 available to cover the preferred dividend of $130,000, leaving a deficit of $104,748, an improvement of approximately $23,000 over that reported in 1932.

Some improvement is expected in the balance sheet position of the company at the end of July, 1934. At that time last year bank loans and overdrafts were in excess of $7,200,000—the highest figure at which loans were carried for many years.

IMPERIAL BANK IS CONSIDERING HEAD OFFICE

New Structure May Soon be Announced—Toronto Prospects Good

Consideration is being given at the present time to a new head office building for the Imperial Bank of Canada at Toronto, The Financial Post understands. No definite decision has been reached as yet, nor any tenders called for but the matter is actively under discussion.

When proceeded with, the building will be erected at the south-east corner of King and Bay Streets. It will be a comparatively small building—perhaps not over eight stories in height. Some officials of the bank are believed to favor a small, dignified, distinctive structure entirely devoted to banking rather than a skyscraper building which would include considerable office space for outside rental.

Mooted in 1931

The new head office was originally mooted in February, 1931, as the culmination of plans which had been under consideration for many years previous. At that time the bank considered a 22-story structure but this has now been definitely vetoed, The Financial Post learns.

The site on which the bank will build was purchased in 1928 at a cost of $1,000,000. The present building was formerly the head office of the Union Bank of Canada. Since its purchase the bank has operated a branch office on the ground floor. In addition to this site, the bank also owns adjoining property bringing total holdings on both King and Bay Streets to approximately 100 feet. Present tenants in the corner building would require about three months notice once decision to proceed with the new structure was made. Present head office of the company is at Wellington Street East, Toronto.

Nova Scotia Inactive

Right across from the Imperial Bank site is the old Canada Life building now owned by the Bank of Nova Scotia, and the site for its new executive head office. Originally it was thought the B. of N.S. would lead the Imperial Bank in geting its new building under way, but latest reports from the Halifax institution indicate that for the present at least no action of any sort is contemplated. The Nova Scotia edifice if, as and when erected, will probably be a big building of 20 stories or more.

Mining Aids Toronto

Building and construction experts claim that Toronto is in the best position of any large city on the continent in respect of its building and rental situation. Office building vacancies are said to be considerably less than 10 per cent as compared with ratios of upwards of 30 per cent in many big U.S. cities. One reason for the good demand for office space in the city is the current boom in mining which has absorbed thousands of feet of floor space for additional board room facilities, clerical offices and so forth.

Toronto it is felt will be the first city in Canada to feel the effects of any forward movement in building and construction in Canada. This applies as well to commercial and industrial building as to residential. In almost equally good position are most of the important communities out from Toronto in eastern, central and western Ontario.

Incidentally mortgage company officials currently report considerable money available for first-class residential building operations. This has been caused by the decline in interest rates which has made mortgage money once more attractive. They report the rental situation as having shown some signs of improvement in recent months and believe this augurs well for a gradual resumption of building activity during the next year.

SEE 2 P.C. RATE BANK INTEREST TRUSTS 2½ P.C.

Financial Circles Expect Further Cuts in Deposit Rates

BANKS DENY PLAN

Reduction of Trust Firms' Rates to 3% Reverses Comparative Competitive Advantage

There is definite anticipation in informed financial circles that the rate on interest on savings deposits of chartered banks will be lowered to two per cent from 2½ per cent this year. In such event, trust companies would consider a 2½ per cent rate, it is understood.

Bankers inform The Financial Post that there have been no discussions of such a change. The recent lowering of the rate on trust company deposit rates from 3½ to three per cent is the reason for the expected change in the bank rate.

There is some feeling that three per cent is too high a rate for trust companies to pay because of the decline of yields on gilt-edged securities to four per cent and less. Banks have not been able to make substantial increases in commercial loans, and still have a large proportion of their money in securities. This is taken to indicate that the banks' earnings would improve with another cut in interest rates. But this might be offset by concessions in borrowing rates, for which there has been widespread public demand.

Deposit Competition

Reduction of the rate on trust company deposits to three per cent is expected to give banks somewhat less competition for deposits. After the former three per cent rate on bank savings and four per cent on trust savings were cut to 2½ and 3½ per cent respectively last year, banks contended that trust firms got the best of the deal. They have claimed that whereas trust companies were only paying one third more for deposits prior to 1933, the reductions allowed trust firms to pay 40 per cent more than banks. This, it is contended, made trust company competition keener.

Latest reduction of trust savings rate to three per cent leaves the rate only 20 per cent higher than the rate on bank savings. Now the trust officials feel that the shoe is on the other foot; that they have lowered rates proportionately with banks.

Possible Two and 2½

If banks were to lower their rates to two per cent, it is probable that trust companies would cut to 2½ per cent, The Financial Post is informed. This would leave the trust companies paying a 25 per cent higher rate for their deposits than banks. The following table shows how the various rates compare:

Comparison of Bank and Trust Company Rates on Deposits

Date	Bank rate %	Trust rate %	Per cent trust rate higher than banks %
Possible rates in 1934 or 1935 ...	2	2½	25
	2	3	50
July, 19[illegible]	2½	3	20
July, 19[illegible]	2½	3½	40
July, 19[illegible]	3	4	33 1-3

Apparently trust officials would like to see banks make the move to two per cent. There is also good reason to suppose that government authorities, particularly those at Ottawa, would welcome such a move. The proposed increase in Dominion note issues is seen as a step toward giving a further boost to bond prices through forcing bank investment. And this is interpreted as indicating a desire to force interest rates lower on bonds, hence on bank deposits, and so on to other rates of interest.

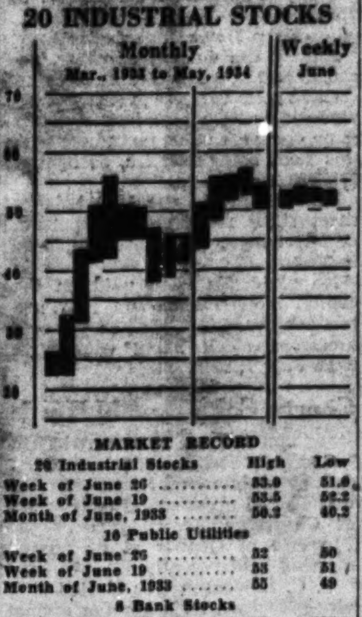
Ottawa Viewpoint

OTTAWA.—Will interest rates on deposits in chartered banks and loan companies be cut another half per cent on July 1?

This question is causing great interest at Ottawa and it is understood that the government, while

(Continued on page 2, col. 1)

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of June 26	53.0	51.6
Week of June 19	53.5	52.2
Month of June, 1933	50.3	40.3
10 Public Utilities		
Week of June 26	32	30
Week of June 19	33	31
Month of June, 1933	35	29
8 Bank Stocks		
Week of June 26	178	175
Week of June 19	180	177
Month of June, 1933	181	169

—Drawn for The Financial Post by R. Kaell.

MAYBE THIS WILL GET ACTION

Government's Policy On Currency Issues To Prevent Deflation

Ottawa Aware Expansion of Notes Means Inflation of Credit

KEEP MONEY EASY

Issue of $53,000,000 Notes May Be Gradual and May Only Offset Finance Act Shrinkage

From Our Own Correspondent

OTTAWA — An interpretation of the monetary policy which the Bennett Government will pursue during the next four or five months, pending the creation of the Bank of Canada, points to the release into circulation of whatever part of the $53,000,000 of paper money authorized by the pending enactments at Ottawa as may be considered necessary to prevent "tightness" in the banking position with a consequent deflationary tendency. It appears, in brief, that the Department of Finance may temporarily play the role of a central bank influencing credit.

Information was obtained from authoritative sources and undoubtedly represents the official attitude.

Ottawa is aware that the powers taken by the government to issue $53,000,000 Dominion notes without additional gold support is arousing uneasiness in some quarters, where it is being suggested that the inflationary influence may be much greater than the government supposes. It is being said that if Ottawa suddenly forces this money into circulation it might easily result in a credit expansion of from three to four hundred millions of dollars. This estimate, of course, is made on the basis that banks may loan or invest anywhere from seven to ten times the amount of their available cash resources.

Government Knows

It may be said that the government is well aware of the consequences which may flow from the release of this money. But as pointed out by Premier Bennett, the purpose in view is merely to bridge the gap between the present time and the time when the Bank of Canada is functioning. This means a period of four or five months at most. Failing an exercise of inflationary influence in this period, there is a real fear in the minds of those in control at Ottawa, that some "tightness" of money might develop and result in the destruction of the present upward boom of industry and business. This, it is felt, would be little short of tragic.

It is pointed out that under the Bank of Canada Act, the chartered banks are required to pay off all loans obtained under the Finance Act, and to start in anew by borrowing from the central bank at whatever interest rates the bank may decree. Thus, the new currency issues may only compensate for anticipated reductions in Finance Act credit.

It is further pointed out that a reference to the currency statements issued monthly by the government will show that the chartered banks are bearing this in mind and are rapidly liquidating their Finance Act loans. The last statement, for example, shows that in addition to the 1932 transaction of $35,000,000 which was, more or less, forced on the banks as the first inflationary step to be taken by the Bennett Government, they have now but $3,000,000 in Finance Act loans. True, this is the period when such loans are at their lowest point. But the government, it appears, has reason to believe that the chartered banks will prefer not to use this method of obtaining money in the immediate future and will do their utmost to hold these loans to a minimum until the central bank machinery is functioning. Bankers confirm this view.

Offset to Deflation

It is to take care of a deflationary situation, which, it is believed, may easily arise, that the government has taken power to issue $53,000,000 of new currency. One of the ways in which it will be issued will be by paying, in new notes, for the public works programme to be initiated this summer. But the character of these works makes it evident that only a very small portion of the total can be spent in this way. The works programme runs to some $40,000,000, of which not more than a few million will be called for in the next few months.

Most of the $53,000,000 which may be issued during this period, therefore, will not be spent on public works at all, but will be forced into circulation by the government as and in amounts deemed necessary to maintain the upward swing of business. On no account will this trend toward better times be allowed to falter owing to lack of credit.

How much of the total of new currency authorized by the recent statutes will be needed to achieve the end in view, no one at Ottawa pretends to know. But the consensus of opinion is that only a small part of the $53,000,000 will be required.

Financial Views

In financial circles, there is a tendency to view the proposed increase in Dominion note circulation as setting a dangerous precedent. Some observers have been inclined to doubt whether political Ottawa realized the significance of an expansion of note issues, which may mean multiplied expansion of bank credit.

Some criticism of the note issue scheme has been made on the ground that the government apparently intends to usurp some of the powers of credit expansion of a central bank before the Bank of Canada is in operation. This, it is claimed, will mean that the bank may have its initial policies determined by what the government has done.

A facetious suggestion has been made that bankers who opposed creation of the central bank may find themselves in the paradoxical position of welcoming the central bank as saving them from government machinations.

Bankers generally do not appear to view the proposed issues with alarm. They appear to have been too busy following the Bank Act and the gold expropriation legislation to worry about the temporary currency measures.

Federal Plan Of Public Works Will Be Delayed

From Our Own Correspondent

OTTAWA.—The $40,000,000 public works programme announced by the Bennett government last week is calculated to provide steadily increasing employment during the next 12 months.

The bulk of the programme comprises Federal buildings and officials of the Public Works Department announce that they have no plans prepared for the greater part of them.

The intention is to call on the services of local architects in the larger cities. This will require considerable time and it is doubtful if construction companies will be asked to tender before the autumn months. The programme, therefore, will not really get under way until October and will scarcely be completed before 1936.

Highlights of the week

Gundy Is Frank

J. H. Gundy frankly advises investment bankers of their previous errors but adds that their position is justified by the great value of their activities to the country at large. Page 8

Deflation Control

The Dominion currency policy in regard to the new note issued is designed to act as a curb on deflation, it is explained from Government headquarters at Ottawa, rather than as a boost to inflation. Page 1

Belleville in Chains

The Financial Post's business explorer visits the Bay of Quinte industrial centre and finds Main Street firmly held by over a dozen chain stores. Page 9

I.B.A. or I.D.A.

Investment Bankers' Association prepares to change its name to Investment Dealers' Association at annual meeting; also a thumb-nail sketch of the new president, R. W. Gouinlock. Page 8

Knows His Mines

The practical mining experience of T. F. Sutherland, acting deputy minister of mines for Ontario, helps this growing department. Page 14

One-way Finance

Not a single dollar of capital has been taken out of Simpson's, but millions have been put in, states President C. L. Burton in an exclusive interview. Page 3

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'34 PROSPECTS FOR STEAMERS HOLD PROMISE

Drought in Europe Has Bearing on Grain Traffic

SEE IMPROVEMENT

General Outlook is More Encouraging — Committee Working With Management

From Our Own Correspondent

MONTREAL.—Bulk grain carrying prospects of Canada Steamship Lines during the navigation season of 1934 will be known with more accuracy by the second or third week in July.

This division of the company's many operations provides the principal source of revenue. The volume of grain handled by the company, therefore, has an important bearing on financial returns for the year.

To date the movement of grain from the head of the lakes to the Atlantic Seaboard has been rather lean and sketchy. What the balance of the season will bring forth depends to a very large degree on the extent of the drought in the wheat growing countries of Europe.

Recent reports from the other side are to the effect that the drought has spread over a considerable area and that the crop to be harvested will be smaller than usual. It is too early to determine the amount of damage done to the growing crops. By the middle of July, or a little later, it will be possible to make more or less accurate estimates on the possible harvest.

More Important Bearing

This knowledge will play an important part in determining the extent to which the European countries will look to Canada and elsewhere for their grain supplies, especially of wheat.

Unless there is a marked improvement in the European crop situation in the next fortnight, the prospects are that Europe will be importing heavily of Canadian wheat.

Heavy Movement Possible

While there are fairly large supplies of wheat on the seaboard, much remains to be brought down. At the same time if the export demand quickens, as it will undoubtedly do if Europe has a short crop this year, the new crop will find a ready market.

The outlook for Canada Steamship Lines and other inland navigation companies is indeterminate at the moment. If, as some expect, the crop situation in Europe does not experience any substantial improvement, the export demand for Canadian wheat will bring about an encouraging improvement in the amount of traffic to be handled by Canada Steamships before the close of navigation.

Rates Are Stabilized

Another encouraging factor in the grain shipping situation is the stabilization of rates. Conditions in this respect were far from satisfactory last year, many grain cargoes being carried at a loss. The situation grew so bad that little or no money was made in the grain traffic last year.

Grain carriage rates this year are on much sounder basis and given an improvement in the volume of business, the stemaship companies will be in a position to make a better showing.

At the annual meeting of the company it was stated that an increase in grain carriage rates from 3½ to 6 cents per bushel between the head of the lakes and Montreal was in effect for the 1934 season. It was also stated that as a result of the application of N.R.A. codes to the United States inland shipping lines, undercutting by competitors of the company would be prevented.

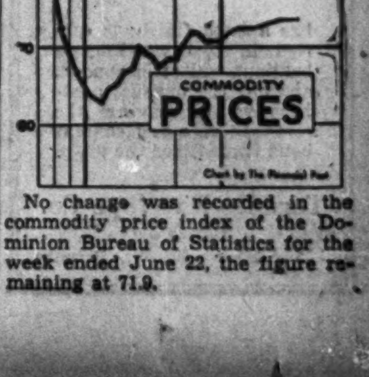
Better Prospects Seen

The outlook for other departments of the company appears encouraging at this time. The passenger traffic business, which slumped badly in the past two years, looks more hopeful and the hotel business appears to be in for a good year.

Operations of the Century Coal Co. and other subsidiaries are shaping up satisfactorily and may be expected to contribute to a more profitable season in 1934.

Earning Power Limited

Last year Canada Steamships reported a total revenue of $7,459,681, or about $600,000 less than in the previous year and less than half of the average annual income between 1926 and 1930. The drop in revenues, due to conditions over which the management had no control, has placed a heavy burden on the company in meeting its fixed charges



No change was recorded in the commodity price index of the Dominion Bureau of Statistics for the week ended June 22, the figure remaining at 71.9.

EATON'S

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SEE 2 P.C. RATE BANK INTEREST TRUSTS 2½ P.C.

(Continued from page 1)

confident that the reduction will be made is not certain as to the date.

Information here is to the effect that an informal understanding was reached at a conference held at Ottawa some months ago between Hon. E. N. Rhodes and representatives of the banks and the loan companies. There was nothing binding about this understanding. Right now the loan companies are carrying out their part in the reduction on July 1, but the banks have not yet indicated what course they will pursue.

Unofficially it would appear that the government is not particularly popular with the banks right now. The banks seem to feel that the government has given them a raw deal in the legislation enacted this session—more particularly with regard to the taking over of their gold by the central bank. Whether prevailing irritation will result in a postponement of the reduction in interest payments remains to be seen.

Rogers Majestic Sales Keep Factories Busy

Sales of automobile radios are permitting operations of Rogers-Majestic on a larger scale than expected. The late spring and early summer months have generally been regarded as off season months but that is passing with the growth of summer demand.

The company has not been able to keep up with orders for washing machines as the sales quota has been greatly exceeded. Orders therefore call for capacity production for some time. Sales of refrigerators are also keeping up in an exceptionally active way. The washing machine business particularly is proving profitable to the company.

Latest development in paper manufacture

"Sampson White Envelope"

has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.

Toronto Envelope Co.
LIMITED
366 Adelaide St. W., Toronto

Fraser Companies Stock Listed on Curb

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has listed 21,320 common shares of no par value and 130,000 voting trust certificates of Fraser Companies Ltd.

Of the common stock listed, 20,189 shares were issued to shareholders at the time of reorganization in 1932, when one new share was issued for each 20 held. The balance, 1,131 shares, was issued for the company's purposes.

Voting trust certificates representing 120,000 common shares of no par value were issued in satisfaction of $6,000,000 principal amount of 6½ per cent debentures of the company, and voting trust certificates representing 10,000 common shares of no par value were issued in satisfaction of $500,000 principal amount of three-year unsecured notes of the company.

The total authorized common stock issue remains at 500,000 no par value shares, the balance, or 348,680 shares, being held by the company's treasury. The common stock carries one vote per share, while the voting trust certificates carry no voting power.

C. P. R. Reducing Loan of Chartered Banks

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway Co. will repay the chartered banks of Canada on July 3rd, $12,000,000 of the $60,000,000 loan guaranteed by the Dominion Government. This money was raised recently by the company through a public offering of convertible bonds.

It will be recalled that last year the Dominion Government issued an order-in-council guaranteeing the bank advances of $60,000,000 to the Canadian Pacific Railway. Repayment of the $12,000,000 on the loan account has been approved by the Government and an order-in-council has been issued, under which each of the eight charter banks surrenders one-fifth of the perpetual consolidated debenture stock of the railway held as security for the Government-guaranteed loan.

Packer Employees Ask More Money

Using the evidence given at the Stevens enquiry on mass buying as a basis, employees of Canada Packers Ltd. at Toronto are demanding a full restoration of the wage reductions covering the period during which the company is reported to have been making money.

The company has countered with an increase of two to three and a half cents per hour for factory workers and a dollar a week for clerks and foremen, both retroactive for two weeks.

The Nation's Business

(Continued from page 1)

the whole story. They are not getting it. Evidence on the one hand has been accepted and given considerable publicity which was not evidence at all but obviously highly prejudiced opinion. On the other hand, there is good reason to believe that evidence has been withheld if it did not tend to substantiate the contention that mass buying lay at the root of all evils.

This is not good enough. These are trying times not only for those who work with their hands but also for those seeking to guide great organizations through troubled economic waters and to preserve the employment of labor which is the primary consideration of the Government. The men who are in charge of these organizations are mostly Canadians who have risen from humble positions. They, too, are entitled to fair play.

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IF ANY solution is to be found all the evidence must be heard. Whatever body is conducting the enquiry must study mass production as well as mass buying. It must examine the possibility of rationalizing industry and protecting labor by agreements as was done in Great Britain. It is not only unfair, it is manifestly unsound to limit the enquiry to mass buying when everyone with any business experience knows that the alleged abuses have in many instances been as much, if not more, the result of disorganization in the producing industries than of mass buying itself. In fact, most economists are convinced that the evils of mass buying are the result and not the cause of industrial disorganization.

By all means let us have the facts. If it is at all possible with our conflicting legislative jurisdictions let us have a solution. But that can only be found by a competent impartial enquiry. A Royal Commission headed by such an economist as Sir Arthur Salter and with expert and capable representation of employers and employees could conduct an enquiry that would result in a report based on an analysis of real evidence that would be of value to every Canadian in determining a reasonable solution.

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THE present committee should be allowed to go no farther even as a Royal Commission. One of the most time-worn axioms of statesmanship is that it is dangerous to hold up any class in the community to contempt because of alleged wrongs if no palliative can be offered. Conflict of jurisdiction makes it quite impossible for the Dominion Government to deal with mass buying as an isolated evil of our economic system. Nothing, therefore, can be gained by the present one-sided enquiry.

In fairness let it be said that what evidence has been adduced demonstrates the advisability of appointing a Royal Commission to examine and report on the whole complex problem of labor in its relation to industry and industry in its relation to those who in turn sell the products to the public.

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BUT if any doubts existed about the incompetence of the present committee to deal impartially with the vital questions it was supposed to consider they were dispelled, when the chairman of the committee, Mr. Stevens, went into the pulpit of a Toronto church on a recent Sunday and invoked the emotional appeal of religion to urge that "from tomorrow morning the interested, earnest, church women in this city would cease buying the products of sweatshops" from "great mercantile shops." No one was in any doubt about the "mercantile shops" to which he referred and yet he was to leave immediately after the sermon so that he might hear evidence in Ottawa on Monday in regard to the business activities of these mercantile shops, supposedly for the purpose of being thereby enabled to reach an impartial conclusion.

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AN ENQUIRY should be continued on sound lines, but it is un-Canadian and un-British that any Canadians should be haled before a committee to give evidence on matters in respect of which they have already been condemned by members of that committee.

The time has come for the immediate adjournment of the committee and the appointment of a competent Royal Commission with broad powers, which can make use of the valuable evidence that has already been adduced at great expense to the public. We have had enough of the Peiora procedure. Let us now follow the British practice.

A Clear Field for Big Trusts?

ONE of the recommendations of the Stevens Committee is very likely to be the relaxation of the anti-Combines Legislation. How far the members of the committee will see fit to go is something that they probably have not themselves determined yet. It is being strongly urged upon them that the legislation be entirely jettisonned. But there are good points about the anti-Combines Act that should be retained for the public's protection. It would be very unwise to open the way for the formation of combinations and price-fixing agreements against the public interest.

A great deal has been made of the fact that in Great Britain the utmost freedom to contract has always been permitted to manufacturers, and that Britain has no legislation barring combinations and price-fixing arrangements. But this traditional British principle has gone hand in hand with the British policy of free trade. Business men in Britain who got together to fix prices always had the threat of foreign competition. It is not so certain that, as the tariff tends to rise in Britain, the public will not demand protection against price-fixing combines. Certainly a country with a high tariff on industrial goods, such as Canada has, requires a compensatory form of protection for the public in the control of price-fixing agreements among those who manufacture and sell behind the tariff wall.

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IN THE past every period of rising prices has brought with it the demand for the control of combines. In the last few years we have been going through a period of falling prices, and the public has been thrown off its guard. But just as surely as prices begin to increase the public will begin to object, and then there will be a demand for more protection of the consumer. And a certain measure of legal defense against combines is essential to give the consumer that protection to which he is entitled.

If business men in any field are to be permitted to fix prices without competition, to divide up the available market among themselves on some quota basis, it is unavoidable that inefficiency and stagnation will result. Firms will eliminate their research and advertising and most of their merchandising promotion work, they will slacken their studies of new and better products, they will eliminate much of the service they give with their goods, and progress will be stultified.

Undoubtedly the Combines Investigation Act may be properly modified and, in particular, clarified. But in one respect it should not be touched; it should not be so emasculated that price-fixing will be substituted for competition.

CORP. INVESTORS EXPANDS INCOME AND INVESTMENTS

First Full Year Brings Increased Capital, Initial Dividends

First full year's operations of Corporate Investors Ltd., as shown in the annual report for the 12 months ended April 30, 1934, resulted in substantial expansion of outstanding shares, investments and income.

Net income for the period was $3,223, compared with $438 in the 11 months to April 30, 1933, when the investment company was in its initial stages. Dividends of $3,074 were paid. Total earned revenue was $4,972. On the basis of present rates of payment, income is running at over 6 per cent on the total investments at April 30, according to the company's report. The investments are carried at cost, less reserve, not exceeding market value.

Income account follows:

Income and Surplus Account Years Ended April 30

	1934	1933
	$	$
Income from invest...	4,673	1,495
Other interest	299	183
	4,972	1,678
Less: Expenses	419	178
Organ. exp. w/o	1,000	795
Prov. for taxes	330	266
Net income	3,223	438
Dividends	3,074	......
Surplus for year	149	438
Prev. balance	438	......
Balance forward	588	438

Balance Sheet Changes

The balance sheet shows substantial changes due to the gradual expansion of operations. Shares outstanding increased to 24,047 from 9,720. Net stock subscriptions are carried at $126,496, compared with $42,176 in 1933. Investments stood at $116,737, compared with $36,546 in 1933. These are the chief items in the balance sheet.

President's Comment

W. D. Glendinning, president, explains that 6,414 of the increase of 14,327 in outstanding shares is due to exchange with shareholders of Transamerica Corp., which has been merged with Corporate Investors. The portfolio, it is stated, has been widened, chiefly by investment in seasoned Canadian preferred and common shares.

Investments are divided almost equally between bonds, preferred and common shares. Appreciation in value amounted to about seven per cent at April 30, 1934, and would be about 11 per cent on average capital invested in the year. Profits on realization of securities have been credited to an investment reserve. Care has been taken to obtain diversification of investments, it is stated. A complete list of securities held, and an analysis of the proportion of various classes of investments is contained in the annual report. All holdings are Canadian with the exception of Australian municipal bonds, and Fanny Farmer common shares.

Canadian Industries Pay Bonus on Stock

From Our Own Correspondent

MONTREAL. — In addition to regular dividends on the Class A and B common stocks, Canadian Industries has declared an extra dividend of 75 cents a share payable on July 31, 1934, to shareholders of record of June 30.

Rate of Interest On Small Loans Reduced to 12%

From Our Own Correspondent

OTTAWA.—By amendment to the Loan Companies Act, the Bennett government proposes, this season, to place a maximum of 12 per cent upon interest charges made by Federally incorporated loan companies dealing in small advances to individuals.

As introduced by Mr. Bennett the bill does not fix a maximum interest rate, but this will be done by amendment when it reaches the committee stage.

Hope For Provincial Aid

It is pointed that the bill cannot control the operations of companies which were created under provincial charters. But the hope is expressed that the provincial legislatures will take action next winter and the Federal legislation does provide that any provincial company exceeding the statutory interest maximum will forfeit all rights, powers, franchises or authorities granted to it by any Dominion statute.

New Challenger Model Introduced by Terraplane

Terraplane's new "Challenger" model, previously placed on the United States market, is announced in Canada this week. Specifications follow the general lines of the United States model which were explained two weeks ago in The Financial Post. Of the new car the manufacturers state:

"Both the performance and comfort features as well as the six size of the standard Terraplane are retained. The price difference has been achieved chiefly by a difference in luxury appointments."

Price in Canada will be from $50 to $60 below that of the standard model, the new range being from $846 to $950, f.o.b. Tilbury, taxes paid.

Gasoline Price Cuts Ottawa and Maritimes

Cuts in gasoline prices are reported from several parts of Canada. In the Toronto area the recent rise is still below the drop of last winter. From Ottawa comes news of a cut to 22 cents a gallon of medium and low test gasoline, including the Government tax of 6 cents a gallon, and applies only to Ottawa, Hull, Eastview and Westboro. White gasolines, known as low test, dropped from 25 to 22 cents and medium or colored gasolines from 26 to 22 cents per gallon. High test gasolines remain at 26 cents a gallon. Some suggestion of a local price war is made by commenting journals.

As intimated some time ago New Brunswick gasoline has been reduced 1½ cents a gallon. A similar reduction had been made in Nova Scotia when that Government adopted regulations to prevent unnecessary duplication of outlets. New Brunswick regulations to the same end have been prepared and went into effect June 21.

Candy Makers in N. S.

Ranking third among the provinces, Nova Scotia's output of biscuit, confectionery, cocoa and chocolate products in 1933 amounted to $1,640,321 out of a Dominion total of $33,059,606.

MERSEY PAPER INCOME LARGER FOR PAST YEAR

Balance Sheet Position Reveals Further Strengthening

From Our Own Correspondent

MONTREAL.—Reduction of bank loans and mortgage debt, improvement in working capital, and a gain in earnings, are shown in the 1933 financial statement of the Mersey Paper Co.

Operations were carried on at capacity last year and despite the drop in gross income per ton of newsprint produced, due to the adverse exchange situation, the company was able to show gross operating profits at $881,025 compared with $799,963 in the previous year. After taking care of interest charges, the balance of income was applied to depreciation. This follows the same course as was adopted in 1932.

Show Larger Profit

Particulars of the income account for the past two years follow:

	1933	1932
Net earnings	$881,025	$799,963
Less: Depreciation ...	477,457	384,372
Interest chgs.	403,568	415,591
Net profit	0	0
Prev. balance	0	506,166
Less: Adjust.	0	27,159
Trans. to cont.	0	479,007
Balance forward	0	0

Balance Sheet Strengthened

The balance sheet at the end of last year shows a strengthening compared with that reported for 1932. Bank loans under Section 88 were reduced from $871,670 to $661,000, while the bank loan of $2,930,000 secured by first mortgage bonds was brought down to $2,810,000. Largely offsetting this, however, was the appearance of a bank loan of $275,000 secured by notes receivable.

Approximately $33,000 of the general mortgage bonds were retired during the year, the amount now outstanding totalling $1,933,000 as against $1,966,500 a year ago.

Among the assets the property account stands on the books at $12,864,889 compared with $12,742,000 at the end of 1932. Investments in company's bonds and in mortgages and shares has declined from $229,277 to $198,229.

Keep Down Inventories

Among the current accounts, accounts and notes receivable have increased from $671,473 to $817,145. Inventory position remains much the same, the book value placed opposite this item being $695,713, as against $727,990 a year ago.

Other items in the 1933 balance sheet show relatively unimportant or no changes from those reported in 1932.

No dividends were paid on the capital stock during the year, arrears on the $5,000,000 of 6½ per cent preferred stock being cumulative from July 1, 1930.

George C. McDonald Heads Montreal Accountants

George C. McDonald, former president of the Montreal Board of Trade, was elected president of the Society of Chartered Accountants of the Province of Quebec at its annual meeting held recently.

R. C. Stevenson was elected first vice-president, W. E. Dunton, second vice-president, and Robert Wilson, secretary-treasurer.

HUDSON'S BAY CO. QUINTUPLED SALES IN TWO DECADES

Capped Two Centuries of Success by Period of Swift Growth

STOPPED SHORT

Placed Management of Stores in Canada and Decentralized Management—Overcoming Depression Losses

For 264 years The Hudson's Bay Co. (Canada) has been contributing to the wealth of English shareholders. With its performance up to the outset of the depression no Englishman needed to feel dissatisfied. Tables filed before the Price Spreads and Mass Buying Committee at Ottawa show that from 1910 to 1930 dividends of 20, 30, 40 and even 50 per cent on the par value of the ordinary stock outstanding were the rule. Only world dislocation, such as the Great War brought in 1915 and the Great Depression after 1930, changed profits to losses and caused dividends to cease.

Testimony of accountants, who had examined Hudson's Bay Co. books, shows that the last 20 years are the most important in the company's history. Sales have been multiplied five times in that time and at the high point of $35,810,000 in 1930 were almost eight times the 1911 total of $4,592,000. In the last nine years fixed assets have almost trebled and the company's distributable surplus has increased from $20,646,584 to $27,337,031 and this after increasing the depreciation reserve in the nine years from $1,872,679 to $6,446,510.

Nine Years Asset Changes

	Jan. 31, 1925	Jan. 31, 1934
	$	$
Total assets	24,863,089	36,890,269
Fixed assets	10,288,699	27,097,196
Current assets	12,421,340	7,856,049
Bank overdraft	88,443	912,834
Current liabs.	2,343,826	3,106,727
Deprec. reserve	1,872,679	6,446,510
Surplus	20,646,584	27,337,031

Earnings Development in 23 Years
(Thousands omitted)

	1911	1926	1934
Cash sales	$2,064	$10,996	$14,069
Charge sales	2,528	4,796	6,890
Lien sales	....	1,326	1,055
Total sales	4,592	17,118	22,114
Gross profits	....	1,112	1,462
Net profits	....	977	403

Lost Sixteen Millions

The depression was unusually severe on the company with the major part of its store business in Western Canada. It lost in three years more than sixteen million dollars after dropping dividends but in 1933 it finally turned the corner. The total assets fell away from the record of $50,839,409 in 1930. Working capital was lower as the company strove to adjust its great organization to the crisis. Its severity may be measured by the fact that the company had its largest net surplus of $3,398,783 in 1928 and its largest net deficit for any year in 1932 at $4,261,481. No wonder that the accumulated surplus dropped from $43,211,687 to $27,337,031.

Company's Highest Records

Total sales in 1930	$35,810,000
Cash sales in 1929	22,305,000
Charge sales in 1930	10,688,000
Lien sales in 1930	3,509,000
Gross profits in 1928	3,641,438
Depreciation prov. in 1931	1,222,559
Income tax prov. in 1928	200,000
Net surplus in 1928	3,398,783
Net deficit in 1932	4,261,481
Total assets in 1930	50,839,409
Fixed assets, 1930	29,639,408
Current assets, 1930	19,165,153
Surplus in 1930	43,221,687

See-saw

There were two striking periods in the company's history in the last decade, the evidence at Ottawa shows: first, a period of very active expansion of capital assets up to 1930, and, second, a period of just as striking changes in administrative policy, retrenchment and sound adjustment of the company's business to the new conditions.

New department stores in Winnipeg, Calgary and Vancouver were the largest contributors to increase in fixed assets. The fine store in Winnipeg was opened in November, 1926. An addition was built to the Calgary store in 1929. One new section was added to the Vancouver store in 1925 and another new section in 1926. The earnings responded beautifully for a time. Then came the depression, severe criticism at meetings of proprietors, and the present able governor was chosen, P. Ashley Cooper.

Decentralization

During 1931 a Canadian administrative committee was appointed with head office in Winnipeg. It was charged with the control of the company's operations in Canada. A general manager was appointed as the company's chief executive officer in Canada. Control of company policy and finance, however, still rests with the governor and committee in London, England.

Prior to this change there was an advisory committee in Canada but it had no executive powers. Nor was there any Canadian general manager or other chief executive in Canada. The chief executive of each of the four principal departments — fur, stores, land and wholesale—reported direct to London. Now management of the stores is under one head. A policy of decentralization was adopted and each department is therefore operating practically as an independent unit. The Canadian committee under the chairmanship of George W. Allan, K.C., is in Winnipeg. P. A. Chester is general manager for Canada and there are managers for each store and for each department.

The importance of each of these departmental stores may be shown from the following table of total sales:

Stores Sales
Year ended Jan. 31, 1934
(Thousands omitted)

	Cash	Credit	Total
Winnipeg	$4,605	$2,393	$6,998
Vancouver	4,002	2,047	6,049
Calgary	1,862	785	2,647
Edmonton	1,216	649	1,865
Victoria	1,005	886	1,890
Saskatoon	716	405	1,121
Kamloops	127	149	277
Nelson	127	111	238
Vernon	122	97	219
Yorkton	111	60	171
Total stores	13,892	7,584	21,475
Wpg. coal	278	361	639
Total sales	14,169	7,945	22,114
Total cost	....	....	15,986
Gross profit	....	....	6,127
Oper. expenses ...	....	....	6,290
Oper. loss	....	....	162
Net profit*	....	....	19

*After other receipts are added.
Note—Gross profit was 38.33 per cent of cost of merchandise.

Fur trade has been low during the depression and the land department at a standstill. They are strong potential sources of revenue for the future, however. There are 25 fur trade posts and 2,000,000 acres of land yet to sell.

The total capital outstanding is £2,000,000 of cumulative preferred of £5 par value and £2,492,000 ordinary stock of £1 par value. Dividends of 5 per cent were paid until after July 2, 1930 and none since on the preferred stock. In considering the very large dividends already referred to on the ordinary shares it must be added that these shares sold at a premium in most cases, thus reducing the actual return to the investor. For example, £500,000 of ordinary shares were sold in 1926 for £1,750,000, a similar amount in 1927 for £2,250,000 and in 1929 the same amount was sold at £4 each.

The company has no funded debt. In 1863 the capital stock was £2,000,000 in £20 ordinary shares. This was reduced by repayments from 1870 to 1904 to £1,000,000 in £10 shares. In 1912 the £10 shares were divided into shares of £1 each and an issue of £1,000,000 preference stock in shares of £5 each was made to common shareholders on the basis of two shares for each £10 held. In 1913 there was a further issue of preference shares of £1,000,000 on the basis of one £5 preference share for each five £1 common shares held. In January, 1926, shareholders were offered £500,000 of ordinary stock at 70 shillings a share on the basis of one new share for each two held. In January, 1927, an additional £500,000 of ordinary stock was offered at 90 shillings a share on the basis of one share for each three shares held. Shareholders of record on June 29, 1929, were given the right to subscribe to an additional issue of not more than 500,000 ordinary shares at £4 a share on the basis of one new share for each four shares held. These sales of shares provided the capital for the swift increase in capital assets.

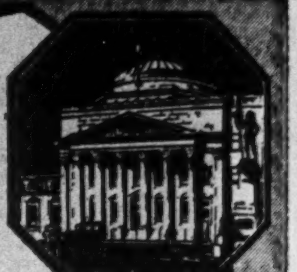
Canadian Airways Report on Operations

From Our Own Correspondent

MONTREAL.—Canadian Airways reports that during April its machines flew 1,492 hours, bringing the total to date this year up to 6,393 hours. Mileage flown last April was 145,191, making 598,862 miles for the first four months of 1934.

Mail, freight, express, etc., carried by Canadian Airways in April totalled 367,679 pounds. For the first quarter the poundage carried by the company totalled 1,820,100 pounds, so that the cumulative totals up to the end of April were 2,187,779 pounds.

Older by half a century than the Dominion . . . yet young as the latest sound business enterprise of Canada.



Head Office Montreal

BANK OF MONTREAL
Established 1817
MODERN, EFFICIENT BANKING SERVICE
. . . . the outcome of 116 years' successful operation . . . .

Mass Buying Enquiry

Present Committee Members Will Carry On as Members of Royal Commission — Proceed to Maritimes After Two Weeks' Recess

From Our Own Correspondent

OTTAWA. — The Stevens' Price Spreads committee, this week, recommended to the House of Commons that no legislative reform measures be undertaken in the present session but that the committee be turned into a Royal Commission and instructed to continue the enquiry during the parliamentary recess.

The objective is to complete the investigations and draw up a final report prior to the opening of the 1935 session of Parliament.

The fact that the committee would not recommend legislative action at the present session has been forecast and the additional fact that the enquiry should be continued by Royal Commission was not unexpected.

Immediately following prorogation, which may not come until the first week of July, the committee will disband to permit members to return home and arrange their affairs. The committee will reassemble about two weeks later and according to present plan will proceed direct to the Maritime Provinces and inspect the fishery industry at first hand. An attempt will also be made to look into the canning industry before the end of August. Thereafter will come another brief adjournment and the committee will take up its duties late in September and continue until all the evidence is in.

The Financial Post continues its summary of the evidence:

Department Stores

A. E. Nash, W. L. Gordon and Thomas Weir, all of Clarkson, Gordon, Dilworth, Guilfoyle & Nash, presented, on June 19, the results of their investigation into the financial set-up and trading practices of the Hudson's Bay Co.

Highlights of the evidence follow:

Hudson's Bay

Company has 11 retail stores and 225 fur trade posts.

Total assets at Jan. 31. 1934, were $36,890,000.

Sales of retail stores have declined from $35,810,000 in 1929 to $22,115,000 in 1933. Winnipeg with sales of $7,000,000 and Vancouver with $6,000,000 were leading units in 1933. Calgary, Edmonton, Victoria and Saskatoon ranked next in that order.

Store employees numbered 3,066, others 790 and store wages in 1933 were $3,204,000.

Store operations failed to show a profit only in 1931. Deficits on all operations were recorded in 1931-32-33 and a profit of $403,500 in the year ended Jan. 31, 1934.

Maintained mark-up on all store sales was shown to be 34.5 per cent of cost.

Smaller Stores

A. E. Nash and S. H. Dobell of Clarkson, Gordon, Dilworth, Guilfoyle and Nash, presented, on June 20, the results of their investigation into the affairs of A. J. Freiman, Limited, Ottawa, Dupuis Freres Ltd. and James A. Ogilvy's Ltd., Montreal. Major Nash also presented evidence on the affairs of Henry Morgan & Co., Montreal, compiled by, Creak, Cushing & Hodgson, Montreal.

A. J. Freiman evidence showed peak sales of $4,021,000 in year ended Jan. 31, 1931 had declined to $2,822,000 in 1934.

Employees at beginning of this year numbered 538, wages and salaries last year being $419,000.

Assets at Jan. 31, 1934, were $3,600,000.

Small losses have been recorded for the past two years, profits in the previous three years averaging $200,000.

Maintained mark-up was stated to be 43 per cent of cost.

Dupuis Freres does a considerable mail order business in French Quebec, mail order sales in 1934 being about one quarter of total sales. In 1930 they formed more than one third of sales.

Sales in the year ended Jan. 31, 1934, were $4,577,000, store sales being $3,528,000 and mail order $1,049,000.

Assets at Jan. 31, 1934, were $5,560,000.

Net profits in past two years have been small, being $31,154 in 1934.

High Mark-up

Maintained mark-up in 1933 was shown to be 53.7 per cent of cost.

James A. Ogilvy's sales declined from $3,182,000 in 1930 to $2,402,000 in 1934.

Maintained mark-up in dresses was 42.3 per cent, shoes 50 per cent, etc. Examples of price spreads filed.

Henry Morgan & Co. sales for eleven months ended Dec. 31, 1933, (only figures given) were $4,569,000. Operations during this period resulted in a loss of $280,000. Examples of price spreads given. Maintained mark-up 43 per cent.

Obituary

W. J. Blake Wilson, president of Burns & Co., died recently at Vancouver, following an operation. Mr. Wilson was born in Wellington county, Ont., and went to British Columbia in 1890. He went into partnership with Senator Patrick Burns in 1903. He was a director of the Royal Bank of Canada, of the C.P.R., vice-president of Consolidated Mining and Smelting Co., director of the Canadian General Investment Trust, Ltd., Dominion Bridge Co., Pacific Mills, Ltd., president Coalmont Collieries, Ltd., director, Mutual Life Assurance Co., Sun Life Fire Insurance Co., the Canadian General Electric Co., and of the Pacific Great Eastern Railway Co.

Finds Trust Company Negligent as Executor

Montreal Trust Co. and Guy M. Todd, executors, have been ordered to pay $56,100 by Mr. Justice A. Forest, Montreal Superior Court judge, for negligence in the administration of the estate of Charles Stewart Hoare. The decision will be appealed, it is understood.

The award was made to the widow, who, according to the court, was left an excess of assets over liabilities of $113,573 at the time of her husband's death. The court ruled that there was "gross, culpable and unpardonable negligence" in the action of the executors in not paying off a bank loan.

The court held that the trust company had acted improperly in employing the same firm of legal advisers as the Royal Bank of Canada, which was a creditor of the estate.

Newfoundland to Continue Surtax During 1934-35

A recent meeting of the Commission-of-Government of Newfoundland authorized the continuation for another year of the surtax of three per cent imposed on all goods entering the country. The original act was passed in 1931 and was continued in 1932 and 1933. Another decision of the government was the appointment of J. T. Cheeseman as representative to the Spanish and Portuguese market as at July 1 of this year. Mr. Cheeseman who has been associated with the Salt Codfish Exportation Board for the past year will henceforth have his headquarters at Oporto.

Claims Not a Dollar Taken Out of Simpson's But Millions Put In

C. L. Burton, President, Says Financing Through Holding Companies Was Made Obligatory Because Preferred Non-callable

FLAVELLE, FUDGER SOLD OUT ENTIRELY

Distributable Surplus of Operating Company is Now Sufficient to Pay Bond Interest and Preferred Dividends For More Than 40 Years—Inside Story Told of Financing Measures in Last Nine Years

"Not a single dollar has been taken out of the business of Simpson's, Ltd., as a result of sale of shareholdings of Sir Joseph Flavelle, the Fudger estate and others," said C. L. Burton, president Simpson's Ltd., to a representative of The Financial Post. "Throughout its history during this century millions of dollars have been going into the business at various stages of its progress but not a single dollar has been taken out except in the regular process of paying cash dividends. In fact the original company, The Robert Simpson Co., as things stand, has a distributable surplus large enough to pay its bond interest and preferred dividends for more than 40 years.

"Some commentators apparently think that an excessive price was paid to the former groups in control but I may say that it did not seem excessive to myself and other officers of Simpson's who agreed to pay the figures eventually decided on. You cannot judge the justice of a certain price on any fixed accounting basis alone. You may estimate the value of the merchandise. You may assess the value of fixed assets on a cost basis, a probable selling basis, a replacement value basis or on a capitalization of the average earnings. But a going business which has been flourishing for years and has every prospect of flourishing for decades to come has an additional value which has always been asked by the seller. On this basis the selling price was considered fair and there was every reason for us to expect that shares issued on this basis would eventually justify the price paid.

Sold Part, Then All

"There has been a great deal of misconception arising out of the fact that to accomplish the sale of the holdings of the former owners of the original Robert Simpson Co., it was necessary to form two other companies: Simpson's Ltd. 1925, which later disappeared in the sale of its assets to Simpson's Ltd. (1929). It becomes easier to understand if we say that in selling the common stock of The Robert Simpson Co. to Simpson's Ltd. (1925) there was a partial sale of control of The Robert Simpson Co. The sale of Simpson's Ltd. (1925) assets to Simpson's Ltd. (1929) was simply the sale of the remainder of the control by the former owners.

"In the sale of control nothing was farther from the minds of the sellers than to weaken the company. It was just the contrary. The whole history of the company is against that idea. Look back over the record of the company since it was formed and you will see that only moderate amounts have been withdrawn for cash dividends.

Turning Earnings Back

"Many who have been reading about the stock dividends paid at intervals through the first quarter of this century do not appear to realize that stock dividends have to be earned as well as cash dividends. They do not realize that this is simply a device for keeping the cash in the business. The active shareholders desired to prevent the business ever being deprived of needed capital by inactive shareholders and so this device for turning back the company's surplus earnings to aid in its expansion was made use of from time to time. That policy enabled the company to grow and helped it through the inevitable depressions which business must expect from time to time.

Giving Management a Share

"The sale of the business in 1925 was decided on by Sir Joseph Flavelle and the late Harris H. Fudger for one reason only. They desired to sell part of their interests and to do it in such a way that the management and officers who had grown up with the company and were identifying their lives with its upbuilding would have a chance to acquire an interest in the business. They were kind enough to say that we had contributed in an extraordinary way to the development and success of the business all through the war and afterward. They conceived the idea of Simpson's, Ltd. (1925) in order that the control of the common stock of the Robert Simpson Co. could be arranged according to these ideas. The common stock of the holding company was controlled by them in such a way that the desired interest could be given to managing officers and permit the future of the business to inure to the benefit of the new body of shareholders.

Why Bonds Against Common?

"It is now considered unusual procedure that this intention should be expressed in the form of a bond issue against the Robert Simpson Co. common shares. There was nothing unusual in that method in the financial market then existing. That is shown by the fact that the public took these bonds without any question. If the Robert Simpson Co. preferred shares had been callable a holding company would not have been needed. Every possible method was canvassed and the Simpson's (1925) was the way chosen. The former owners (of which Sir Joseph Flavelle was the principal shareholder) by that plan parted with 60 per cent of their interest for cash and 40 per cent for stock. Some of that new stock was distributed to officials of the company.

"Some people are now referring to the $5,000,000 odd involved in this transaction as a 'split' or 'bonus.' It was nothing of the kind. It was the result of a part sale and took nothing from the company. It was just the same as the sale of a share in the ownership of a race horse by an owner. The race horse is the same, however much or little is given for it. In the case of Simpson's the consideration was reasonable. It amounted to $250 a share whereas the amount available in par value of The Robert Simpson Co. common and undistributed surplus was $242 a share. The sellers got $150 in cash and common shares in the holding company for the remaining $100.

Decide to Sell Outright

"The reason for the 1929 transaction was entirely different. Sir Joseph Flavelle and Mr. Fudger were reaching advanced years, they decided to sell outright. They made the situation clear to those of us who held the minority shares of the company.

"Between 1925 and 1926 there were various important additional obligations assumed by the business and requiring huge amounts of money. About six million dollars was taken by the extensions of business decided on and carried out in 1926, 1927 and 1928. Important departments were re-arranged and organized.

"The Montreal store furnished a serious problem. While there was no definite undertaking by the old directors to rebuild the Montreal store in its present form, there was a partial undertaking for a substantial part of the expenditure since made. They also had to take into consideration the falling due on May 1, 1930, of a lease on the principal corner of Metcalfe and St. Catherine Streets, of the old premises. There were various undertakings in the old lease, notably one to restore the old premises, which were so obscure as to make it doubtful whether the conditions of the 30-year-old lease could be complied with.

Lent $7,000,000 to Subsidiary

"To meet some of these needs the 1925 company had made two issues totalling $7,000,000 of 6 per cent preferred stock. That money was loaned to The Robert Simpson Co. but it was by no means sufficient to discharge all of the obligations assumed by the old directors. The new directors of Simpson's Ltd. (1929) therefore had to consider ways and means to finance these large commitments for the extension of the business field in Toronto and Montreal.

Shy of Collateral Bonds

"A further issue of Simpson's Ltd. (1925) securities was manifestly impossible. The bonds of that company were collateral trust gold bonds secured by the common stock of The Robert Simpson Co. That collateral security had a very large value beyond the existing 1925 mortgage against it but the public of that day was not of a mind to consider investment in collateral trust bonds as the records of that day will show. It was impractical to make an issue of 6 per cent preferred beyond the $7,000,000 already issued. Yet the obligations of The Robert Simpson Co. and subsidiaries had to be taken care of. Those obligations had been undertaken by the directors previous to 1929.

"The new company upon proper advice and with the entire approval of their bankers took over at the appraised depreciated value all of the properties of The Robert Simpson Co. and its subsidiaries that were not covered by the 1912 bond mortgage covenant. The planned-for additions to Toronto buildings and in part to the Montreal premises had been made by The Robert Simpson Co. Ltd. It had assumed a large non-funded indebtedness to Simpson's (1925) which company had advanced the money. Its working capital was therefore so reduced that it became much to the interests of the business to re-establish its working capital.

Replenished Working Capital

"Simpson's Ltd. (1929) did not take over The Robert Simpson Co. properties for any purpose but to serve the interests of The Robert Simpson Co. Ltd. Only by buying those properties at the appraised valuations could they furnish the first mortgage security for the issue of the new Simpson's Ltd. (1929) 6 per cent and 5½ per cent bonds. In this way the new bonds were secured by substantial fixed assets as well as by collateral security of The Robert Simpson Co. common shares. Before the transfer of assets to the 1929 company The Robert Simpson Co. Ltd., owed Simpson's (1925) $4,600,000 and had an unpaid liability for the completion of capital commitments of $1,600,000 exclusive of further expenditures, chiefly in Montreal, undertaken later. The working capital was reduced to only $3,823,410. The commitments at Montreal would have reduced this by a further $2,000,000.

"The financing of Simpson's Ltd. (1929) immediately added to the working capital of The Robert Simpson Co. more than $7,000,000. This financing, far from impairing the position of shareholders of The Robert Simpson Co., definitely improved the earnings and strengthened the position of all shareholders. Without it the working capital of The Robert Simpson Co. would have been reduced to nearly $1,500,000.

Preferred Asset Value High

"The properties transferred from The Robert Simpson Co. to Simpson's (1929) were transferred at appraised values which exceeded the net book value by $2,368,000 which was added to the surplus of The Robert Simpson Co. and subsidiaries.

"The position of the preferred shareholders of The Robert Simpson Co. Ltd., as to asset values behind each share of preferred has been aided by all this financing. Without taking into account the indebtedness of Simpson's Ltd. (1929), amounting to $5,510,843, to the subsidiaries of The Robert Simpson Co., there are net assets of $18,000,000 behind the preferred stock, or an equivalent of $545 a share.

Robert Simpson Co. Stronger

"The Financial Post in its last issue referred to the 'new' charges for rent of these properties. It is pertinent to note that these charges did not decrease the operating surplus of The Robert Simpson Co. Ltd., as a corporation below what it was on January, 1929, before the new financing.

"The following table shows the operating surplus as it was on January 30, 1929, before the transaction which resulted in Simpson's (1929) getting the property as it was in June, 1929, at the time of the transaction, as it was in January, 1930, after the transaction and as it was later in January, 1933:

		Inc. since Jan., 1929
Jan. 30, 1929	$4,754,758	.....
June, 1929	5,082,799	$328,041
Jan., 1930	5,356,785	602,028
Jan., 1933	5,911,312	1,156,554

"This definitely disproves any idea that there has been a lack of trusteeship on the part of directors of Simpson's Ltd. (1929) with reference to securities of The Robert Simpson Co.

"There has been some misunderstanding to the effect that rentals charged The Robert Simpson Co. by Simpson's (1929) have been raised to an improper level at the behest of directors. An interim rental had been established for the Richmond St. extension of the Toronto store because at June, 1929, it had not been fully paid for. As soon as the accounts were all in, new leases were drawn at a proper rental for that location. Similarly when the Mutual St. extension was made, involving approximately $500,000 expenditure, the new rental was established to include the charges on that addition. Similarly the rental charge on the Montreal store was established at its proper level subsequent to the construction in 1930 when all the accounts had been paid.

On the most conservative accounting basis the consolidated operating surplus of The Robert Simpson Co. and subsidiaries dropped only $88,000 from $8,300,215 on January 1, 1929 to January 1, 1934, or a small fraction. If one includes the surplus of $2,368,276 arising from sale of properties there was an increase of $2,280,483 in consolidated distributable surplus after paying all rentals even during the depression.

Why Interest Unpaid

"Something has been said about the amounts due subsidiary companies for the properties taken over by Simpson's (1929). The fact that they bear no interest has been commented on. The fact is that The Robert Simpson Co. and its subsidiaries have a distributable surplus exceeding $11,000,000 in addition to which they have property reserves of over $6,000,000. Inasmuch as Simpson's Ltd. is the sole shareholder of The Robert Simpson Co., one can see at a glance that it has in these large surpluses a reserve out of which it can pay at any time by dividend the amounts due and outstanding on subsidiary company properties. The Robert Simpson Co. retains the use of these large surpluses without interest which more than offsets the fact that Simpson's Ltd., does not pay interest on amounts still owing the subsidiaries.

"There were various considerations in connection with the $5,500,000 still owed on the properties to the subsidiaries. The easiest thing would have been to declare a dividend and pay it all. Or the interest could have been paid yearly by Simpson's Ltd. and taken back by way of dividend on The Robert Simpson Co. common shares because there has never been a year that the Toronto store has not shown earnings available beyond the needs of the bonds and the preferred stock. Any interest saved by Simpson's Ltd. under the present arrangement is more than offset for The Robert Simpson Co. by interest available to it on the amount of distributable surplus left in its hands. No shareholder interest suffers."

Why New Type Face Is Easier To Read

The new type in which The Financial Post is being printed is known as Excelsior No. 1. It replaces Century type, which was formerly used.

In order that our readers may see for themselves just why the type is more readable we have enlarged four typical letters to giant size. In each group of letters the one at the left is the old letter; the one at the right is the new.

old new old new

a a g g

e e w w

It will be noticed that the distinctive characteristics are that the narrow corners, which formerly tended to fill up with ink, have been enlarged; openings are wider and angles are greater. The "serifs," or tiny strokes, are strengthened.

Formerly The Financial Post was printed in two sizes of type; 8 pt. Century for the longer articles and 7 pt. Century for the shorter articles. Now the main body matter is set in 7 pt. Excelsior No. 1. Statistical tables are in smaller type. Herewith we present a brief item set in the two sizes of type formerly used and in the new type. The greater readability of the new type will be apparent:

Old Type—Century 8 pt.

Linotype Excelsior has been designed to meet modern printing conditions. It has larger, clearer letters. The face does not smear or smudge in printing.

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New Type—Excelsior No. 1—7 pt. on 8 pt. slug

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Capital Changes Of Simpson Firms In Tabular Form

For the convenience of readers of the interesting interview given in this issue by C. L. Burton, president Simpson's Ltd., the following three tables are given to show the development of the financial structure of The Robert Simpson Co. Ltd., the first holding company known as Simpson's, Ltd. (1925), and the present holding company known as Simpson's Ltd. (1929). Reference to this table, which was presented to the price-spreads committee at Ottawa, will give Financial Post readers a bird's-eye view of what happened and Mr. Burton's remarks will further indicate why it happened so.

Robert Simpson Co. Limited
Outstanding Capital and Stock Dividends

Year	$100 common outstanding $	$100 6% pfd. stock o/s $	5% 1st mtge. bonds o/s $
1896	133,000	......	......
1898	137,500	......	......
1899	300,000	......	......
1900	375,000	......	......
1901	500,000	......	......
1903	601,900	......	......
1904	605,900	......	......
1905	913,900	......	......
1906	921,400	......	......
1907	1,173,300	......	......
1908	1,183,900	......	......
1909	1,192,900	......	......
1910	1,811,600	......	......
1911	1,822,500	......	......
1912	*2,744,900	*2,750,000	2,250,833
1917	†3,350,000	*3,350,000	2,072,518
1925	†3,350,000	*3,350,000	1,852,059
1934	†3,350,000	*3,350,000	1,375,223

*Of which $500,000 was issued to common shares as stock dividend. †Of which $2,603,300 was issued as stock dividends, and $746,700 sold for cash at $100 each.

Simpsons Limited (1925)
Capitalization Outstanding 1925-1929

	*Common shares	$100 6% pfd. stock $	6½% 1st mtge. bonds $
1925	100,000	....	5,600,000
1928	100,000	4,000,000	5,600,000
1929†	100,000	7,000,000	5,600,000

*All issued to common shareholders Robert Simpson Co. †All securities retired in 1929.

Simpsons Limited (1929)
Capitalization Outstanding 1929-1934

	*Common shares	6½% $100 pref. stock $	6% 1st mtge. bonds $
1929	240,000	10,000,000	10,000,000
1930	240,000	11,250,000	†11,250,000
1934	240,000	11,250,000	†10,283,500

*Divided into 120,000 shares each of classes A and B common shares. Of the 120,000 class B common issued to Wood, Gundy & Co., 20,000 were given as bonus to buyers of preferred. †This total includes $1,250,000 of 5½ per cent bonds in 1930 reduced to $1,155,900 in 1934.

More Butter Produced

Every province in the Dominion shows an increase in the production of butter this year to date as compared with last year, according to a report of the Dominion Bureau of Statistics covering the first five months of the year.

GENERAL SALES OF BEATTY BROS. UP 23 PER CENT

Monthly Increases Have Continued Steadily For Over a Year

Sales by Beatty Bros. Ltd., for the first nine months of the fiscal year, which ends Aug. 31, were 23 per cent greater than for the corresponding period last year, The Financial Post is informed. The increase has been general in all lines of the household and barn equipment manufactured by the company at Fergus, Ont., and other plants, and includes the export business through the London and Wellington, New Zealand offices. Sales are made through the company's city stores and through agents at country points.

Inventory which amounted to $1,070,304 at the close of the last fiscal year and bank loans of $120,531, it is understood, have increased in keeping with the larger volume of business, but collections have been better than for the same period a year ago and there has been a marked decrease in the number of repossessed washing machines and other articles sold on time payments.

In 1933, for the first time since the company was incorporated in 1912, a loss was reported, the deficit amounting to $158,303 after depreciation and provision for bad debts as compared with a profit of $6,980 in 1932 and $102,708 in 1931. In presenting the annual report at that time, William G. Beatty, president, stated that, starting with June, sales had shown an increase over the corresponding month of the previous year, and if the improvement was maintained throughout the next year the operations of the company should again prove profitable. These monthly increases, The Post understands, have been continued ever since.

Petroleum in N. B.

Production of petroleum in New Brunswick during the first four months of the year amounted to 4,028 barrels, as compared with 3,642 barrels for the similar period of 1933.

FAMOUS DODGE CHASSIS CHOSEN BY "LIFE-SAVERS"

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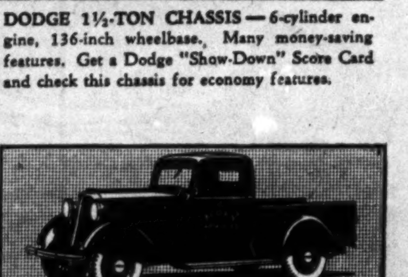

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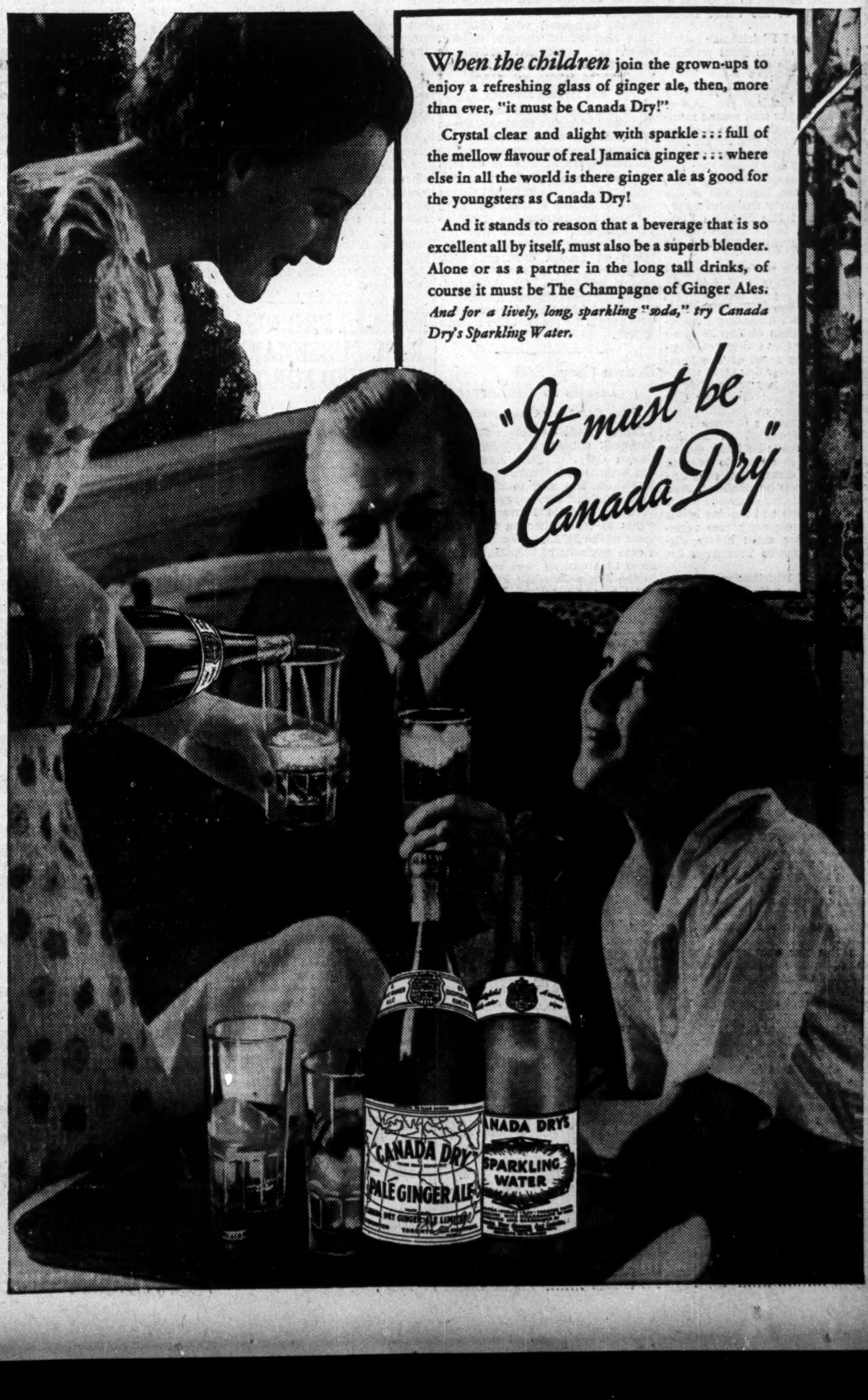

Utilities and Transportation

BONDS MAY GET MEXICO TRAMS POWER ASSETS

Bondholders Meet July 16 to Consider Acceptance of Securities

After long years of persistent losses, a scheme of arrangement has been proposed by committees for bondholders to adjust the capital of Mexico Tramways Co. and its subsidiary, Mexican Light & Power Co.

The scheme envisages a distribution of assets of Mexican Tramways Co., consisting chiefly of securities in Mexican Light & Power Co., to holders of the five and six per cent bonds of the tram company. By this exchange the committees for the holders of the tram company's bonds hope to give the bondholders their proportionate share in the securities of the profitable power company. At the same time the tram bondholders would give up their claim on the tram company, but would avoid the dissipation of income from the power company's securities, now held by the tram company, in losses on the tram operations.

In brief, the effect of the proposed arrangement would be to transfer securities of the power company from the tram company to its bondholders. These securities have been the chief security for the tram company's bonds. But the income from them has been eaten up in tram deficits.

Call Meeting July 16

Holders of the tram company's five per cent first mortgage bonds, due 1963, and six per cent mortgage bonds, due 1966, are to meet July 16, 1934 at Winchester House, Old Broad St., London, Eng., to consider the passing of certain resolutions in regard to the report of the combined committees of both issues of bonds in which the recommendation for a distribution of certain assets of Mexico Tramways Co. is made.

The joint report of the committees dated June 11, 1934, surveys the position of the tram company, setting out the amount of arrears of interest, and recommends that certain assets of the company, consisting mainly of securities of The Mexican Light & Power Co., be distributed to the bondholders in lieu of their present bonds, including accrued interest and all unpaid coupons.

The report shows that of the $10,298,000 issued five per cent first mortgage bonds of Mexico Tramways Co., $1,720,000 has been acquired for sinking fund purposes, leaving a net amount outstanding of $8,578,000. Arrears of interest on this issue amount to $2,787,850. Arrears of interest on the six per cent mortgage bonds, of which there are £1,461,500 outstanding, amount to £1,709,955 or 117 per cent of the entire issued amount.

Proposed Distribution

The report of the joint committees recommends the following distribution of assets:

(1) To the five per cent first mortgage bondholders per unit of $500: £41 five per cent second mortgage 50-year bonds of The Mexican Light & Power Co.; $350 six per cent cumulative income bonds of The Mexican Light and Power Co.; and 10-year non-interest bearing notes of The Mexican Light and Power Co.; 17/10 ordinary shares of no par value stock of The Mexican Light & Power Co., two ordinary shares of Mexico Tramways Co.; and $40 in cash.

(2) To the six per cent mortgage bondholders per unit of £100: £51 five per cent second mortgage 50-year bonds of the Mexican Light & Power Co.; $400 six per cent cumulative income bonds of The Mexican Light & Power Co.; and 10-year non-interest bearing notes of The Mexican Light & Power Co.; 21/10 ordinary shares of no par value stock of The Mexican Light & Power Co.; and two ordinary shares fully paid of Mexico Tramways Company.

The issued capital of Mexico Tramways Co. will be increased by a further 63,542 shares to provide for the above distribution of ordinary shares to the bondholders. And the scheme calls for exchange of the second mortgage and income bonds of the power company into registered debenture stock before distribution to Mexico Tramways Co. bondholders.

Total Distribution

In accordance with this distribution of assets, the total amount of the various securities to be distributed is as follows:

Proposed Total Distribution to Mexico Tramways Co. Bondholders

Secs. to be distributed	Amount	To Mexico Tramways Co. 5% 1st mtge. bonds	6% mtge. bonds
5% 2nd mtge., 50-yr. bonds Mex. L. & P. Co.	£1,446,761	[illegible]	£745,365
6% cum. inc. bds. Mex. L. & P. Co.	[illegible]	[illegible]	$5,846,000
Ordinary shares Mex. L. & P. Co.	59,856-7/10 sh.	29,165-2/10 sh.	30,691-5/10 sh.
Ordinary shares Mex. Tramways Co.	63,542 sh.	34,312 sh.	29,230 sh.
Cash	$686,240	$686,240	nil

Must Waive Interest

The interest coupon No. 43, dated March 1, 1928, and all subsequent coupons attached to the five per cent first mortgage bonds must be surrendered for cancellation without payment. All original coupons from and including No. 12 due January 1, 1915, and all subsequent (not exchanged for income coupons) and all income coupons numbered from R1 to R21 inclusive, issued in exchange for original coupons, must also be surrendered for cancellation without payment, under the terms of the scheme.

The five per cent second mortgage debenture stock, mentioned above, will carry the interest due on Dec. 1, 1934, and thereafter. And the six per cent cumulative income debenture stock will rank for interest accruing from July 1, 1934, the first payment, if earned and available, being due Jan. 1, 1935.

Committees in Favor

The committees have considered the arrangement and recommend its acceptance by the bondholders. The committees advise all bondholders to deposit their bonds and obtain voting certificates which they should forward to the respective committees to be voted in favor of the arrangement.

The report shows that operating loss of Mexico Tramways Co. since 1929 has been as follows:

Year	Loss
1933	$907,173
1932	927,452
1931	760,100
1930	[illegible]
1929	129,281

Central Electric Stations Set Record-Breaking Pace

Electric Boilers and Exports Contribute Large Share to Increase in Output During Current Year

From Our Own Correspondent

MONTREAL.—Greater domestic and industrial demand, together with the more extensive use of electrical boilers and larger exports, combined to enable the central electric station industry to create a new record production last May.

According to returns compiled by the Dominion Bureau of Statistics the central stations produced 1,829,681,000 k.w.h. last May, compared with 1,696,646,000 k.w.h. in April, 1934, and 1,349,942,000 k.w.h. in May, 1933.

In breaking down these figures it is noted that of the increase in production for May, 1934, compared with the same months last year, amounting to 479,739,000 k.w.h., electric boilers accounted for 175,553,000 k.w.h.; exports, 68,123,000 k.w.h.; and the balance by better demand from commercial, domestic and industrial users.

Demand Grows Greater

Consumption shows an appreciable increase in all sections as shown in the following table:

(Thousands of Kilowatt Hours)

	May, 1934	May, 1933
Maritimes	66,886	58,373
Quebec	814,529	588,603
Ontario	606,497	462,856
Prairies	120,895	104,442
B. C.	113,877	92,794
Total	1,718,684	1,307,068

Exports last May amounted to 110,997,000 k.w.h., compared with 63,105,000 k.w.h. in the previous month and 42,874,000 k.w.h. in May, 1933.

Electric Boilers Helpful

The part that electric boilers have played in enlarging the market for electrical energy is no mean one. Over the last two years the demands of this market have more than doubled, until at present electric boilers account for nearly 25 per cent of the total production. Comparative figures on energy deliveries to electric boilers in May, 1934 and 1933 follow:

(Thousands of Kilowatt Hours)

	May, 1934	May, 1933
Maritimes	4,619	6,069
Quebec	365,391	234,169
Ontario	73,037	37,452
Manitoba	15,440	5,232
B. C.	155	167
Total	458,642	283,089

Good Gains Recorded

Production of energy by both water and fuel during May, 1934, and 1933, by the principal areas follows:

(Thousands of Kilowatt Hours)

	May, 1934	May, 1933
Generated by Water Power		
Maritimes	56,819	50,146
Quebec	1,036,240	757,717
Ontario	488,845	335,789
Prairies	106,836	90,707
B. C.	115,425	94,011
Total	1,804,165	1,328,370
Generated by Fuel		
Prairies	12,503	12,511
Other	13,013	9,061
Total	25,516	21,572

WPG. ELECTRIC BETTERS INCOME DURING LAST MAY

Shows Small Profit After Providing for Senior Charges

From Our Own Correspondent

MONTREAL.—Further improvement in earning power is reported by Winnipeg Electric Co. Last May gross revenue registered a small increase over those for the corresponding month of 1933 and after taking care of all senior charges, taxes and depreciation, the deficit for the month was only $1,798 compared with $16,353 for May, 1933.

Gross income in May, 1934, totalled $416,593, as against $408,906. There was a slight decrease in operating expenses and depreciation charges, leaving net earnings at $108,455 compared with $95,875 a year ago. Fixed charges, interest, taxes, etc., aggregated $110,254, or about $2,000 less than in May last year.

Net Income Doubles

For the first five months of 1934 Winnipeg Electric's statement shows an improvement of almost 100 per cent in net income as compared with the corresponding months of 1933.

Gross revenue totalled $2,271,402. This compares with $2,273,164 for the first five months of 1933. Operating expenses and depreciation at $1,613,137 compared with $1,647,700 last year. Net earnings available for interest on funded debt and bank loans, taxes, etc., totalled $658,265, as against $625,484 in 1933. After providing for these charges, net income this year totalled $104,189 compared with $56,673 for the first five months of 1933.

Brown Corp. Sell Limits to Rothermere

From Our Own Correspondent

MONTREAL.—Brown Corp. of Montreal, Canadian subsidiary of Brown Corp. of New Hampshire, and large manufacturers of pulp and specialties, has sold to the Anglo-Newfoundland Development Co., a Lord Rothermere interest, certain rights to cut timber on the north shore of the St. Lawrence River, for a cash payment of $750,000. At the same time options have been given to the Anglo-Canadian Pulp & Paper Co., another Lord Rothermere interest, on additional timber limits adjacent to those sold.

Public Utility Earnings

Barcelona Traction

May—	1934 Pesetas	1933 Pesetas	Increase Pesetas
Gross earn.	9,204,643	8,821,349	383,294
Oper. exp.	3,382,243	3,077,886	304,357
Net earn.	5,822,400	5,743,463	78,937
5 Months—			
Gross earn.	50,452,368	48,523,538	1,928,830
Net earn.	32,786,704	32,473,058	313,646

Brazilian Traction

May—	1934 $	1933 $	Increase $
Gross earn.	2,529,357	2,376,949	152,408
Oper. exps.	1,223,955	1,067,569	156,386
Net earn.	1,305,402	1,309,380	*3,978
5 Mos. End. May 31			
Gross earn.	11,842,630	11,474,922	367,708
Oper. exps.	5,891,586	5,307,798	583,788
Net earn.	5,951,044	6,167,124	*216,080

* Decrease.

Winnipeg Electric Co.

May:	1934 $	1933 $
Gross income	416,593	408,906
Expenses (inc. dep.)	308,138	313,033
Net earnings	108,455	95,875
Fixed charges, int., taxes, etc.	110,254	112,228
Net income	*1,798	*16,353
January to May:		
Gross income	2,271,402	2,273,164
Expenses (inc. dep.)	1,613,137	1,647,700
Net earnings	658,265	625,484
Fixed charges, int., taxes, etc.	554,076	568,791
Net income	104,189	56,673

Canada Northern Power

May:	1934 $	1933 $
Gross earnings	337,993	297,358
Oper. expenses	118,076	92,535
Net earnings	219,917	204,823
Five Mos. end. May 31:		
Gross earnings	1,663,579	1,487,767
Oper. expenses	543,938	453,840
Net earnings	1,119,641	1,033,927

ASSOCIATED TEL. INCOME COVERS SENIOR CHARGES

Important Changes Outlined in Annual Report for Last Year

From Our Own Correspondent

MONTREAL.—Due to the sale in 1933 of controlling interest in Telephone and General Trust Ltd., which is subject to repurchase agreements expiring in 1934 and 1935, Associated Telephone and Telegraph Co. was able to reduce bank and other indebtedness. Balance sheet and income account reflects the change.

Associated's income account for 1933 includes dividends of Telephone and General Trust to the extent received or accrued during the year (the sale of shares took place in August at a small loss). The following income and surplus account has been adjusted owing to the changed status in 1933 of several companies from a controlled to a non-controlled basis:

	1933 $
Gross earn. & oper. profit of subs.	9,148,632
Non-oper. revenues	760,096
Total gross earn.	9,908,728
Oper. expenditure & taxes	5,969,953
Net earn. before deprec.	3,938,775
Depreciation	1,187,495
Net earn. after deprec.	2,751,280
Int. & other deductions	2,747,909
Net income	3,371
Previous deficit	829,769
Chgs. by foreign sub. to surplus acct.	192,790
Surp. bal. of sub. sold	213,014
Other items	22,386
Add: Disc. debent. pur.	55,197
Deficit balance	1,199,382

In connection with the 1933 consolidated income and surplus account the auditors point out that expenses aggregating $192,790 charged by a foreign subsidiary and $25,890 charged by certain domestic subsidiaries to surplus or to reserves should, in their opinion, have been charged to expense or in the case of a portion thereof amortized to expense over a short period of years.

Reduction in Assets

The balance sheet at the end of last year shows assets totalling $80,420,010 as against $87,748,693 in 1932. The decline is largely due to the sale of certain assets during the year, notably Telephone and General Trust. Among the liabilities it is noted that virtually no change has taken place in the book values set opposite the capital stock.

Write Down Values

At a special meeting of the Class A and common stockholders last month, the stated value of the Class A stock was reduced from $5,506,913 to $2,231,482. The capital surplus of $3,275,430 thus created was provided as a reserve for the absorption of probable loss or shrinkage in the value of assets.

Reduce Funded Debt

Non-controlling interest in stocks of minority interest in subsidiaries, has declined from about $22,635,000 to $15,656,000. The funded debt of Associated and its subsidiaries was reduced by better than $1,000,000 during the year. Bank loans at $3,748,732 show a reduction of around $500,000. An amount of $376,659 is shown as due to affiliated companies. This is a new item.

The principal change among the assets is a reduction in fixed assets from $62,285,883 to $50,505,627. Goodwill is unchanged at $6,598,063, while investments are up from $3,869,818 to over $6,000,000. The amount due from affiliated companies stands on the books at $1,162,275.

MONTREAL POWER ELECTRIC OUTPUT GAINS CONSISTENT

Steady Improvement is Noted in Production Since Last October

From Our Own Correspondent

MONTREAL.—Production of electrical energy by Montreal Light, Heat and Power Consol. has gained consistently since last October. During that month production was 1.35 per cent over that reported for the same month of the previous year. Since then the monthly increases, in comparison with the same month of the previous year, have ranged as high as 15.13 per cent, and for the last month reported—May—was 14.56 per cent.

A record of the production of energy in kilowatt hours by Montreal Power for the past eight months, together with comparative figures for the preceding year, follows:

	1932	1933
October	81,364,970	82,464,078
November	84,094,760	89,063,770
December	86,598,340	91,825,570
	1933	1934
January	82,666,060	90,969,810
February	74,441,850	84,768,940
March	78,542,500	89,316,020
April	70,450,150	81,110,250
May	68,857,260	78,883,990

Improvement in production of electrical energy has led the management of Montreal Power to consider the matter of putting lower rates in force. A considerable amount of work has already been done and it is expected that the official announcement, containing details of the reduction, will be made before long.

MERGER PROPOSAL RAIL SUBSIDIARIES SHELVED FOR TIME

Express and Telegraph Consolidation is Postponed

From Our Own Correspondent

MONTREAL. — Plans for the merging of the express and telegraph departments of the Canadian Pacific and Canadian National Railways have been held up for the time being, as the Federal Government has withdrawn the bill which would have provided the necessary medium through which the properties could have been brought together.

It will be recalled that one of the recommendations made by the Duff Commission, when it investigated the transportation problem of the Dominion, was that there was no need of the duplicate services provided by the two express and the two telegraph companies. It was suggested that the two departments be merged, with both railways holding an equal interest in a subsidiary company to be formed for the purpose of merging the telegraph and express operations.

Form Two Companies

The bill put forward by the Government contemplated the establishment of two companies capitalized at $40,000,000, with the C. P. R. and the C. N. R. each owning half of the stock. The capital would be divided into 400,000 shares, each of the par value of $100, none of which would be offered to the public.

The matter of amalgamating the two services has been under discussion for some time and both railways have agreed on the desirability of merging the services. Final decision to take this step had not been reached at the time the bill was introduced in the Federal House, as much depended upon the final outcome of the investigations now going on. It was the desire of the two railways that legislation be enacted to enable immediate action if it was decided to make the change.

Railway Earnings

Canadian National

May—	1934 $	1933 $	Increase $
Oper. rev.	14,767,854	12,260,416	2,507,438
Oper. exp.	12,948,818	12,067,210	881,608
Net rev.	1,819,036	193,206	1,625,830
5 Months—			
Oper. rev.	65,581,300	53,948,849	11,632,451
Oper. exp.	[illegible]	[illegible]	[illegible]
Net rev.	[illegible]	[illegible]	[illegible]

* Deficit.

CAN. NORTHERN REVENUE IN MAY SHOWS SHARP GAIN

Output and Customers Also on Better Scale Than Year Ago

From Our Own Correspondent

MONTREAL.—Canada Northern Power Co.'s gross earnings last May registered an increase of 14 per cent over the same month a year ago—making the largest monthly increase yet recorded by the company.

Gross income for the month amounted to $337,993, an increase of $40,635 over the figure reported for May, 1933. Operating expenses at $118,076 were $25,541 higher, leaving net earnings of $219,917. This represents an increase of $15,094 over the same month last year.

Cumulative returns for the first five months of this year show gross earnings of $1,663,579, or $175,812 higher than the gross for the corresponding period of 1933. Operating expenses were $90,000 higher, with net earnings for the five months period amounting to $1,119,641, or against $1,033,927 last year, an increase of over 8 per cent.

During May, 121 new customers were added to the company's system, bringing the total to 13,713. It is expected that within the next few weeks four new gold mines will become power users of the company under life of mine contracts—Thompson-Cadillac, Greene Stabell, McWaters, and Lamaque, all located in the northern Quebec district. Construction of the transmission line and substations to serve these properties is practically completed.

Union Gas Co. Is Considering Dividends Soon

Intimation that dividends may be restored in the near future by Union Gas Co., was given by G. R. Cottrelle, president of the company at the annual meeting this week, following the announcement of an increase in earnings. Before the dividends are resumed, however, Mr. Cottrelle stated that he would like to see some of the balance sheet items improved.

The subsidiary company, United Fuel, reported a net profit of $245,312 for the year ended March 31 last, as compared with a loss of $21,906 for the previous year and Union Gas showed a slight falling off in net profit from $392,233 in 1933 to $357,302 in 1934. Since the end of the fiscal year, however, sales of gas have been increasing again, it was reported.

Dividends and Interest Are Again Up For July

Almost 20 Per Cent Increase in Payments Due Next Month Over July, 1933 — Several Extras

Bond interest and dividends in July, like June, show a big increase over the corresponding month a year ago. Both classes are up, dividends to be paid next month being $16,422,866 against $12,672,273 and bond interest $41,315,392 as compared with $36,303,589 for July, 1933. The bond interest due is almost $10,000,000 ahead of last month but dividends fall away below the June 1934 record of $40,168,489, when the extra Imperial Oil disbursement of over four million in addition to the regular 25 cent dividend which amounted to almost seven million, were paid.

Extras for the month just ahead include Domes Mines with $1.50. This bonus is worth $1,430,001. Another special contributor to the nation's July payroll is Montreal City and District Bank, with a $1 bonus, Can. Industries A and B with 75 cents and Wright Hargreaves with a five cent bonus.

More arrears, generally regarded as a sure token of returning industrial activity, are on the July list and include Can. Wirebound Boxes, Monarch Knitting, Niagara Wire Weaving, Riverside Silk and Investment Foundation. Dividend rates have been increased by Can. Gen. Investment, Intercolonial Coal and Waterloo Trust and Savings, but have been reduced by British Mortgage, Real Estate Loan and Security Loan.

In the regular classes the biggest single contributor for July will be Montreal Light, Heat & Power with $1,705,817 while Domes Mines with the bonus already mentioned is not far behind. Bell Telephone with $1,156,230 is a major source of revenue to the Canadian investor and as well as Canadian Industries Ltd. with $1,000,957 and British American Oil with $524,528.

Total payments of bond interest and dividends and the various rates are given below:

Summary of Payments

	1934 $	1933 $
Dividends	16,422,866	12,672,273
Bond interest	41,315,392	36,303,589
Total	57,738,258	48,975,862

Dividend Payments

Company	Rate	Date	Amount
Agnew-Surpass, pfd.	$1.75q	3	17,035
Assoc. Breweries, pfd.	$1.75q	1	19,034
Bk. of Nova Scotia	$3q	3	360,000
Bell Telephone	$1.50q	16	1,156,230
Bralorne Mines	15cq	16	150,000
Brantford Cordage, pfd.	50cq	15	30,047
Brazilian Tr., pfd.	1½q	3	5,901
Brit. Amer. Oil (17)	20cq	3	524,528
B. C. Elec. Pr. & Gas pfd.	1½q	3	75,000
B. C. Power A	37cq	16	370,000
Brit. Mtge. & Tr.	45s	3	40,000
Brockville Trust	62½q	3	6,250
Bruck S. Mills	25cq	16	25,000
Building Prod. A & B	25cq	1	30,212
Burt, F. N.	50cq	3	53,772
Do., pref.	$1.75q	3	1,074
Calgary Power, c.	$1.50q	3	52,500
Can. Dry G. Ale	25cq	2	128,132
Can. Nor. Power	25cq	25	100,000
Do., pref.	$1.75q	16	96,250
Can. Packers, pfd.	1¾q	3	105,585
Can. Perm. Mtge.	$2q	3	140,000
Can. Trust	5s	3	50,000
Canada Life	$5q	3	50,000
Canadn. Canners, 1st pfd.	1½q	3	58,272
Do., convert. pfd.	7½cq	3	27,279
Canadn. Cottons	$1q	4	27,155
Do., pref.	$1.50q	4	54,922
Canadn. Fairbanks, pfd.	1½q	14	18,300
Candn. For. Invest.	25c	1	18,354
Do., pref.	2q	1	34,502
Candn. Fire Ins.	$2s	3	40,000
Canadn. Gen. Invest.	10cq	16	61,233
Candn. Gen. Elec.	75cq	2	141,633
Do., pref.	87½cq	2	149,761
Can. Industries, pref.	$1.75q	16	81,375
Do., A com.	87½+75c	31	1,000,957
Do., B com.	87½+75c	31	88,394
Candn. Oil, pref.	$2q	1	40,000
Candn. Light & Pr.	50cs	16	16,624
Can. Westinghouse	50cq	3	270,000
Central Can. Loan	$2q	3	50,000
Cons. Smelters	$1s	16	651,475
Consumers' Gas	2½q	2	351,380
Crown Trust	1¾q	3	17,500
Dome Mines	50cq	20	476,667
Do., bonus	$1.50	20	1,430,001
Dominion Bank	2½q	3	175,000
Dom. Glass	$1.25q	3	53,125
Do., pref.	$1.75q	3	45,500
Dominion Stores	30cq	2	84,714
Dom. Textile	$1.25q	2	337,500
Do., pref.	$1.75q	16	33,960
East. Can. Savings	$1.50q	3	11,250
East. Steel Prod. pfd.	$1.75q	2	6,874
Eastern Theat., pfd.	3½q	31	17,500
Eastern Trust	$2q	3	20,000
East. Twp. Tele. c.	18cq	16	1,899
Edmonton C. Dry., p.	$1.62½q	3	12,659
Excelsior Life	$1.20s	2	6,000
Fanny Farmer	25cq	2	24,407
Do., pref.	60cq	2	8,994
Freiman, A. J., pfd.	1½q	2	13,920
Goderich Elev.	25c	2	21,001
General Trust	1½q	3	16,500
Goodyear Tire	$1.25q	3	160,787
Do., pref.	$1.75q	3	126,827
Great West Life	$5q	3	50,000
Great Lakes Pr. pfd.	$1.75q	16	13,125
Gurd, Chas., pref.	$1.75q	2	4,550
Guelph Trust	$1.25s	3	7,525
Guelph & Ont. Inv.	$1.50s	3	28,950
Guar. of N. Amer.	$1.50+2.50	16	24,368
Highland Dairy, pfd.	$1.75q	3	3,263
Hollinger Cons.	1+1%	16	492,000
Howey Gold	3c	2	150,000
Hunts, A & B	12½cq	3	4,207
Huron & Erie Mtg. (187)	1½q	3	75,000
Imperial Life	$3.75q	3	37,500
Indust. Mtg. & Tr.	$1.25s	3	15,875
Intercolonial Coal	2s	3	20,000
Do., pref.	$4s	3	8,180
Inter. Hyd.-Elec. pfd.	87½cq	15	126,699
Inv. Foundation pfd.	38cq	16	13,531
Do., on arrears	12c	16	3,956
Jamaica Pub. Ser.	25cq	3	11,250
Do., pref.	$1.75q	3	13,125
Do., pref.	1½q	3	5,505
Lambton Loan	$1s	3	15,795
Landed Bkg. & Loan	1½q	3	15,000
Maritime Tel. & Tel.	15cq	3	53,936
Do., pref.	17½cq	3	26,250
Manufacturers Life	$5s	3	75,000
McColl Fron. pref.	$1.50q	14	114,762
Midland Loan	40cs	3	14,400
Mitchell, J. S., pref.	1½q	3	5,503
Monarch Knit. pref.	$1*	3	7,500
Mont. C. & D. Bk.	$3q	3	60,000
Do., bonus	$1	3	20,000
Montreal L. H. & Pr.	38cq	31	1,705,817
Montreal Telegraph	80cq	16	40,000
Moore Corp. A & B pf.	$1.75q	3	86,898
National Life	62½cq	3	6,250
Nat. Breweries	40cq	2	288,548
Do., pref.	44cq	2	48,840
Nat. Grocers pfd.	$1.75	2	51,681
National Trust	$2q	3	60,000
Niagara W. Weav. pfd.	75cq	2	15,543
Do., in arrears	$1.50	2	31,086
Nor. Ont. Pwr.	50cq	25	120,007
Do., pref.	$1.50q	25	37,489
Ogilvie Flour c.	$2q	3	150,000
Ont. Loan & Deb.	$1.50q	3	60,000
Ottawa L. H. & Pr.	$1.50q	2	52,500
Do., pref.	$1.62½q	2	24,375
Ottawa Traction	50c	3	28,038
Page Hersey	75cq	2	130,707
Do., pref.	1½q	2	293
Perfection Pete.	37½cq	3	3,483
Petrol Oil & Gas	†3c	3	6,600
Pioneer Gold	15cq	3	262,755
Porto Rico Pr., pfd.	$1.75q	3	17,500
Pwr. Corp. pref.	1½q	16	75,000
Do., non-cum. pfd.	75cq	16	75,000
Premier Gold Mines	3cq	16	150,000
Prov. Paper, pfd.	$1.75q	3	61,250
Real Estate Loan	$1.50s	3	7,500
Riverside Silk	25cq	3	7,500
Do., on arrears	25c	3	7,500
Security Loan & Sav.	3s	3	16,194
Securities Holding pfd.	†50c	3	9,203
Silverwood's, pref.	1q	3	31,328
Stand. Fuel pref.	1½q	1	21,840
South. Can. Pwr. pfd.	1½q	16	106,333
Supersilk Hosiery pfd.	$1.75q	3	9,013
Tamblyn pref.	1½q	3	8,779
Thayers, 1st pref.	$1.75s	2	16,747
Thrift Stores	10cq	2	2,000
Do., 1st pref.	40½cq	2	5,568
Do., 2nd pref.	17½cq	2	2,100
Tip Top Tailors, pfd.	1½q	3	23,346
Toronto Elevators pf.	$1.75q	16	26,250
Toronto Gen. Trusts	1½q	3	45,000
Toronto Mortgage	$1.50q	2	29,595
Trusts & Guar.	$1.50s	3	38,217
Tuckett Tobacco pfd.	$1.75q	15	35,000
United Securities	50cq	16	25,630
Waterloo Tr. & Sav.	2.50s	3	25,000
Western Assur. pfd.	$1.20s	3	18,000
West. Koot. Pr. pfd.	1½q	3	[illegible]
Western Grocers, pfd.	$1.75q	[illegible]	[illegible]
Whittall Can. pfd.	$1.75q	[illegible]	[illegible]
Wright-Hargreaves	10cq	2	550,000
Do., extra	5c	2	275,000
Total			16,422,866

q—Quarterly. s—Semi-annually.
* On arrears. †Interim.
▲ For quarter ended Sept. 30, 1932.

BOND INTEREST DUE IN JULY

Company	Rate	Date	Due	Amount
Acadia Sugar	7	1	1946	$ 21,380
Do.	6	1	1946	61,354
Aldred Invest. "A"	4½	2	1968	45,157
Avalon Tele. "A"	5½	1	1948	20,185
Avon River Pr. "A"	5½	1	1956	17,847
Do., "B"	5½	1	1957	5,318
Do., "C"	5½	1	1958	3,450
Beauhar. Pr. "A"	5½	1	1973	1,045,308
Can. Locomotive	6	1	1953	62,638
Can. Canners	6	2	1950	68,217
Can. Cottons	5	2	1940	49,927
Can. Int. Pap.	6	1	1949	697,500
Can. Light & Pr.	5	1	1949	74,477
Can. Nat. Rly. Gold	5	1	1969	1,500,000
Do.	4½	1	1957	1,462,500
Can. Nor. Alta.	3½	20	1960	55,122
Can. Nor. Ont.	3½	20	1961	599,022
Can. Nor. 1st mtge.	3½	20	1958	138,188
Do., S. F. Gold	6½	1	1946	787,735
Do., Wpg. Term.	4	1	1939	60,000
Can. Pac. Rlys.	4½	1	1960	562,500
Do., Eq. Trust	5	1	1944	652,150
Cedars Rapids	5	1	1953	343,125
Cities Heating	6	1	1948	4,560
City Gas & Elec.	6½	2	1951	5,112
Dom. Gas & Elec.	6½	1	1945	227,500
Dom. Rubber	5	1	1947	125,000
Dom. Tar & Chem. "A" & "B"	6	2	1949	154,770
Eastern Car	6	1	1952	19,512
Harris Abattoir "A"	6	1	1947	97,227
Inter. City Bak. "A"	5½	1	1948	41,620
Jam. Pub. Ser. "B"	5	1	1950	48,500
Maritime Tele.	6	1	1941	45,000
Do., refund. "A"	5	1	1956	37,500
Metropol. Bldg.	7	15	1944	29,029
Do., Series "B"	7	15	1941	13,335
Montreal Apts.	5½	1	1948	103,605
Mont. Trams.	5	1	1941	533,775
Morrison Brass "A"	7½	1	1947	3,728
Mtl. L. H. Pr. debs.	3	1	1939	[illegible]
Moodie, J. R., "A"	6	1	1948	19,545
Nfld. L. & Pr. "A"	6½	1	1949	42,753
Do., mtge. debs.	7	1	1949	16,800
Do., 1st mtge. "B"	5½	1	1971	22,000
North. Ont. L.&P.	6	1	1953	15,450
North. Ont. Pwr.	6	1	1953	105,000
Ont. Steel Prod.	6	1	1943	6,054
Ont. Traction "A"	5½	1	1955	71,159
Reliance Grain "A"	6	2	1948	54,750
Rio Janeiro 1st mtg.	5	1	1935	625,000
Royal Ex. Bldg.	6	2	1948	12,804
Do.	7	2	1938	3,500
Ruddy, E. L.	6½	1	1948	21,609
Saguenay Elec.	5½	1	1953	35,530
Shaw. Falls Term.	5	1	1957	2,740
Sher. Rly. 1st mtg.	5	1	1940	14,475
Simpsons Ltd. "A"	6	2	1949	273,828
Do., "B"	5½	2	1949	31,786
Simpson, Robt.	5	1	1952	34,380
Steel of Canada	6	1	1940	112,581
Sterling Coal	6	1	1940	21,285
St. Jas. Ct. Apts.	6½	30	Serial	5,720
St. Law. Flour	6	1	1941	2,160
200 St. Clair	7	1	1945	5,320
Un. Gas & Fuel	5½	1	1948	48,317
Un. Grain "A"	5	2	1948	79,437
Vancouver Pr. deb.	4½	2	Perp.	154,593
Viau Biscuit	6½	1	1946	10,812
West. Can. Hyd. El.	6	1	1950	30,000
Do., conv. debs.	6½	1	1945	7,068
Western Grain	6	2	1949	83,685
Western Power	5	1	1949	108,267
Windsor Hotel	6½	1	1943	65,318

Corporation bonds	12,354,456
Municipal bonds	10,201,342
Provincial bonds	7,111,486
Dominion	11,648,108
Total	41,315,392

PAYABLE IN JUNE†

Company	Rate	Date	Amount
Barcelona Tr.	50c	30	$899,427
Premier Trust	$2.50+50cs	30	9,522
Supertest Pete. 'A' pf.	$1.75q	30	5,418
Do., "B" pfd.	37½cq	30	3,000
Do., com. & ord.	25cq	30	27,500

† Additional payments not included in June totals.

Attractive—

Province of New Brunswick Bonds are attractive to investors requiring security combined with substantial interest return.

The largest of the Maritime Provinces, New Brunswick's economic activities are sound and well diversified. Security, yield, maturity and New York payment make this an interesting investment.

Province of New Brunswick
4½% Bonds, due April 15th, 1961.
Payable Canada or New York.
Price: 104 and interest, to yield 4.25%

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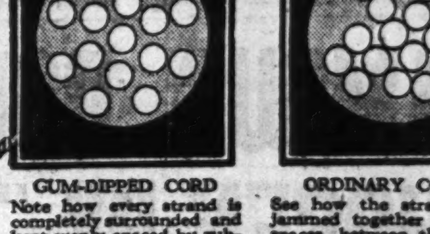

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News of Investment Markets

EXPANDED ISSUE DOMINION NOTES MAY AID BONDS

Markets Quiet and Prices Softer in Last Week

Prices moved irregularly lower in Canadian bond trading in the week ended June 26. Markets were inactive. Gilt-edged bonds weakened fractionally following the trend established earlier in the month. Western provincial issues showed fractional changes, but no definite trend. Losses predominated among corporation issues.

Plan of the Dominion Government to increase the total issue of Dominion notes, pending establishment of the Bank of Canada, is viewed by informed observers as a favorable factor for bond markets. The way this is believed to have worked with the 1932 issue of $35,000,000, and in which it may operate to raise bond prices is as follows:

The Dominion issues notes to banks in the form of a deposit, and draws cheques against the money. The banks have then increased cash reserves. This is unprofitable, so banks invest in securities, there being no substantial outlet for commercial loans. This process, it is believed, would result in increased deposits by those from whom the bonds were purchased. This, in turn, might lead banks to increase investments in securities. The process might go on until several times the amount of the original note issues had been invested.

Lead to Higher Prices

The natural expectation would be that this would result in higher prices for Canadian bonds, in the first instance for gilt-edged issues. Other effects, however, might be to bring selling of bonds from abroad, with possible weakening of the Canadian dollar on exchange markets, or absorption of the increased credit by the import of securities.

Average Yield and Price for Seven High Grade Canadian Bonds

	Yield %	Price $		Yield %	Price $
June 26	3.961	108.76	June 20	3.939	108.97
June 25	3.949	108.86	June 19	3.934	109.04
June 23	3.951	108.82	June 18	3.926	109.18
June 22	3.940	108.97	June 11	3.873	109.79
June 21	3.941	108.93	June 1	3.831	110.25

PRICE BROS. PLAN MEETS OPPOSITION FROM PREFERENCE

Meetings This Week Will Determine Fate of Property

From Our Own Correspondent

MONTREAL.—Alteration of the plan for the reorganization of Price Bros. & Co., as sponsored by Bowater's Paper Mills, Duke-Price Power Co., London Daily Express Ltd., and the Anglo-Newfoundland Development Co., to provide for a 6½ per cent coupon instead of a 5 per cent coupon on the new preferred shares and making dividends cumulative after 5 years, are demanded by the Preferred Shareholders Protective Committee. If this is not done, the committee will recommend that the preferred shareholders oppose the plan.

Since steps were taken to bring about a rehabilitation of Price Bros. & Co., more than a year ago, several plans have been presented to the Bondholders' Protective Committee and the Trustee-in-Bankruptcy. Two groups were contesting for control. After much jockeying around and the raising of the "ante" to satisfy the demands of all parties, the two groups came together and made a joint offer. This proposal met with the approval of the bondholders' committee and is known to be favored by the unsecured creditors and the common shareholders.

Approval is Necessary

It has been stated by the bondholders' committee that if the present plan is not approved at the meetings called for toward the end of this week, steps will be taken to foreclose the mortgage and put the property up for public auction. Such a step is regarded as involving the wiping out of the preferred and common shareholders and possibly the unsecured creditors equity. The terms now offered to the junior interests are looked upon as being generous under the circumstances, and any move to block approval of the company plan at the meeting is of concern to the other groups.

There is no indication at the time of going to press that the sponsors of the plan will meet the demands of the preferred shareholders' committee. It is problematical as to whether or not the plan can be put through in the face of opposition from the preferred shareholders' committee.

Particulars of Opposition

The following statement was issued by the committee over the signature of R. H. Collis, chairman:

"The Scheme was decided upon and made public without the Committee having been approached for its views. The Scheme varies but little from that which the Preferred Shareholders Protective Committee opposed at the meeting held in Quebec on March 9.

"The Committee decided that the provisions made for the Preferred Shareholders under the new Scheme of Arrangement were not such as the Committee could recommend the Preferred Shareholders to accept. It communicated this decision to the Trustee in Bankruptcy by personal interview on Wednesday, the 20th inst., and intimated that the Committee would approve of the Scheme of Arrangement and recommend that Preferred Shareholders vote in favor of same provided:

"(1) The dividend on the Preferred Shares remained unaltered at 6½ per cent per annum and to be paid only if earned, after a reasonable depreciation, for a period of five years.

"(2) The 6½ per cent dividend on the Preferred Shares become cumulative after a period of five years from the date of reorganization.

"(3) The Preferred Shares had voting rights and one representative on the Board of Directors of the new Company.

New Sun Life Investments Total $27,000,000 Since '33

Company's Position Analyzed by Arthur B. Wood at Annual Convention — Gives Views on Business Outlook

(Special Correspondence)

BANFF.—Sun Life Assurance Co. made new investments of over $27,000,000, mostly governments, during the first five months of 1934, while its excess income over disbursements for the same period compared with last year more than doubled. Last year the company had an excess income of over $25,000,000. The figures were given at the company's agency convention in session here this week.

Arthur B. Wood, president and managing director of the company, was principal speaker at the meeting. He presented figures to show that Sun Life during the four years of the depression had not only held its own among the 300 companies operating on this continent, but in business in force had advanced from eleventh to ninth place. At the end of 1922 of the total business in force in all companies in North America, Sun Life had 1.2 per cent. At the end of 1929 the percentage had increased to 2.3 per cent, and at the end of 1931 had advanced to 2.8 per cent. Since that time the company had steadily maintained that position.

During the depression over thirteen billion dollars had been paid out by life insurance companies on this continent, reaching a total of nearly $10,000,000 a day for four years. As evidence of general business improvement, loans and surrenders by insurance companies were now practically normal.

Mr. Wood had just returned from his annual visit to the company's offices in Great Britain, and reported that the Old Country has almost forgotten the depression. He admitted that Great Britain had a long way to go to reach complete recovery but felt that the people had restored confidence and had fewer troubles than the people of other countries.

Believe Recovery Under Way

Mr. Wood expressed his belief that complete recovery is well on its way on this continent and Great Britain, and presented a mass of figures showing the strides made during 1933 and continuing through the first quarter of this year. He stressed the point that during the past month there had been a slight slowing up in the United States, but as the previous advance had been spectacular, it did not call for any anxiety.

This was not true of Canada or Great Britain. Conditions had steadily improved and there was no sign of a major setback at the present time. He firmly believes that conditions are fundamentally sound for the future outlook.

Ontario Municipal Debt Adjustments Awaiting Hepburn

Interregnum in Ontario between the defeat of the Henry Government and the assumption of office by the newly elected Hepburn forces is delaying settlement of several large municipal debt adjustments, The Financial Post is informed.

The attitude of the new government toward the somewhat harassed position of Ontario municipal finance is not known. And it is understood that important plans for refinancing are hanging fire, in the meantime.

Walkerville, Sudbury, Leamington, Kingsville and Mimico are among the financially embarrassed municipalities for which schemes of adjustment have been expected.

Both the municipalities and their creditors are understood to be anxious to come to terms as early as possible. The delayed negotiations are considered of particular importance because there has been no settlement of a municipal default in Ontario for years.

Bond Redemptions

Bond Issues	Rate	Due	Redeem.	Price
St. John D. Dock	5½%	Serial	July 5	105
Rowntree Co. Ser. A	6%	10-yr.	Aug. 1	...
Can. Nor. Coal & Ore Dock‡	5%	20-yr.	July 1	105
Can. For. Invest.	7%	1949	Aug. 1	105
Walmsley, Chas.	6%	1943	Aug. 1	103

‡$49,000.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	56.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
Weekly Figures, 1934:										
June 7	102.7	12.5	74.4	157.9	77.3	134.8	131.4	125.9	54.7	93.1
June 14	104.8	12.1	73.5	162.1	78.2	134.4	140.2	129.5	55.5	95.7
June 21	105.5	11.7	73.7	164.2	76.8	133.5	135.3	129.4	55.3	96.3

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

QUARTER CASH LOWER INTEREST GEN. BROCK PLAN

Montreal Man Backing Proposed Financing of Hotel

First mortgage bondholders of General Brock Hotel Co., Niagara Falls, will be asked to consider a purchase offer by George H. Ross of the firm of Ross and Macdonald, architects, Montreal, at a meeting in Toronto on July 23. Mr. Ross is understood to have had considerable experience in the planning and building of hotels.

The offer proposes a cash payment of $250 and a new bond of $750 par value secured under trust deed and only subject to a first mortgage loan of $250,000, for each present six per cent $1,000 bond. The new bonds, which mature in 20 years, are to carry interest at three per cent, provided that interest for the first three years will be non-cumulative and will be required to be paid in respect of each year only out of the income of the company.

Two Mortgages

Instead of the present first mortgage of $922,000 (originally $1,000,000 from which $78,000 was redeemed through sinking fund) there will be the proposed $250,000 first mortgage and $691,500 of new bonds constituting a second mortgage, or a total of $941,500. The proposed first mortgage is at 6½ per cent, maturing in 20 years with annual principal payments of $12,500 commencing about December, 1936. This first mortgage will be used principally to pay the proposed cash payment to the present bondholders, and has been arranged, The Post understands, through Mr. Ross. The new company will agree with the mortgagee to maintain net current assets at $30,000 and to improve verandahs and dining room facilities of the hotel.

The offer also comprises the creation of $50,000 working capital by an issue of 500 shares of six per cent preferred stock. This is to be non-cumulative, non-voting and redeemable after December 1, 1939. There will be 78,000 common shares of no par value, of which 48,000 will go to Mr. Ross, while holders of the present 30,000 common shares will get an equivalent number in the new company.

Present Position

For 18-month period ended April 30, during which the hotel was operated by the Montreal Trust Co., as trustee, an operating profit of $5,319 was reported but with no provision for bond interest, depreciation, receiver's and manager's remuneration. This period, however, covered two winters and one summer and the winter season is usually unprofitable. Accrued bond interest due Oct. 1, 1932, (the time of default) amounted to $30,188, and no interest has been paid since.

Future Brighter

The Century Bond and Management Co., in a letter to bondholders describing the offer, contends that under a new management following the proposed reorganization the hotel should soon be in a position to pay its way. Chief competition was the Clifton House, which was destroyed by fire some time ago. The belief is expressed that another heavy increase in tourist traffic is expected. It is further contended, that under its own management the company could assume a much more aggressive attitude, could advertise and generally go after business, whereas such a course is difficult under trust management. The hotel is described as the only modern fireproof hostelry on the Canadian side at Niagara Falls.

Manitoba Deficit $36,611 in '33-'34 Foresee Surplus

Announcement by Hon. E. A. McPherson, provincial treasurer of Manitoba, that the province will show a deficit of only $36,611 for the fiscal year ended April 30, 1934, is a pleasant surprise to investors in the province's bonds. The budget estimate had indicated a deficit of $495,855, and as late as August, 1933, it was expected that the deficit would be over $1,000,000.

Rapid recovery of business activity and provincial revenue from last September is given as the reason for the improvement.

Particular significance is given to the current 1934-35 budget position because of the increase of revenues. Whereas expenditures were estimated at $14,537,023 for 1933-34, they were reduced in the estimates to $13,165,973 for 1934-35. Hence, if revenues have increased sufficiently to practically balance the 1933-34 budget, a substantial surplus may be shown for the 1934-35 year.

Any such surplus is required to take care of the provincial relief expenditures, which have been partly financed by the Dominion Government. The prediction of one expert that Manitoba would be able to stand on its own feet by the end of 1934-35 year now appears fairly likely of fulfillment.

Real Estate Loan Co. Declares $1.50 Dividend

Real Estate Loan Co. of Canada has declared a semi-annual dividend of $1.50 per share payable on July 3, 1934 to shareholders of record June 30.

This represents a reduction of $1 per share from the last payment which was $2.50 and was made last January.

Bond Sales

County of Dufferin

County of Dufferin has sold $34,000 of five per cent 20-year serial debentures to the Bank of Toronto at 105,76, a cost basis to the county of about 4.35 per cent. Bids were as follows:

	Bid
Bank of Toronto	105.76
Dominion Securities Corp.	105.579
Dyment, Anderson & Co.	104.90
J. L. Graham & Co.	104.524
Nesbitt, Thomson & Co.	104.53
McLeod, Young, Weir & Co.	104.28
Wood, Gundy & Co.	104.177
C. H. Burgess & Co.	103.60
A. E. Ames & Co.	103.41
Stewart, Scully Co.	102.88
Williams, Partridge & Angus	102.65
Harris, MacKeen & Co.	102.352
Matthews & Co.	102.00
Gairdner & Co.	101.417
Lamont & Co.	100.703

MORE INTEREST STAVELEY APTS.

Coupon Due Aug. 15, 1932, Will be Paid Bondholders Next Week

Bondholders in Staveley Apartments, Toronto, will receive payment on coupon No. 10, due Aug. 15, 1932, on July 3, according to an announcement by London & Western Trusts, trustee for the bondholders. It is stated that the building has been kept 75 per cent rented since the last report and payment, about six months ago.

For the eight months ended May 31, 1934, total rents, plus a balance carried forward of $1,653.15, amounted to $9,450.07. The lowest monthly return was in October when the revenue was $670. Since then, with but two exceptions, there has been an increase each month, with the May revenue amounting to $1,139.50.

Total expenditures during the eight month period were $4,898.28 which with coupon No. 10 payment of $2,822.80, left a balance in the trustee's hands of $1,728.99.

Westminster Paper Earnings Improved

Westminster Paper Co. is reported to be showing still further improvement in earnings this year. Consistent gains over the same period a year ago, it is understood, were shown for the first six months' operations of the fiscal year which ends July 31, and this improvement, it is believed, has been maintained since.

In addition to meeting all charges on a $300,000 issue of 6½ per cent first mortgage bonds, the company paid 40 cents per share in dividends on common in 1933. A net profit of $21,579, compared with $19,970 for the previous year was reported after bond interest, depreciation which was practically $15,000 heavier than in 1932, and income taxes had been paid.

Jenny Lind Creditors Will Meet on July 6

Jenny Lind Candy Shops Ltd., according to a court order on June 20 will carry on business with the Premier Trust Co. as custodian, until the first meeting of the creditors. This will probably take place July 6, The Financial Post understands.

About a month ago this company was placed under an interim receivership at the instance of the Pure Gold Mfg. Co. It is understood that lack of working capital was chiefly responsible for the situation. Since then the company has continued under the old management to manufacture and sell candies through its various shops. At the coming meeting of the creditors future plans will be discussed and it is likely a decision made either to sell or reorganize.

Royal Exchange Bldg. Reports Good Surplus

Earnings surplus of $20,472 is reported by the Royal Exchange Building Corp., Winnipeg, after all expenses, mortgage interest and taxes have been paid. In 1928 the Canadian Wheat Pool leased this building for 10 years and this contract is being fulfilled.

Gross revenue amounts to $103,949, operating expenses $19,853, municipal taxes $12,907, income tax $5,166, and depreciation $10,583, leaving $52,230 available for bond interest which now amounts to $24,758 on the first mortgage and $7,000 for the second mortgage. Of the $500,000 six per cent first mortgage bonds originally issued, $100,000 have been retired while the whole of the original $100,000 seven per cent general mortgage issue is still outstanding.

Spend Your Vacation at Elgin House

Unsurpassed facilities for vacation enjoyment. Riding, Golf, Tennis, Lawn Bowling, Bathing, Canoeing, Launch and Steamer Trips, etc. House steam heated, also seven open fireplaces. Cottages adjoining to let furnished. The magnificent New North Lodge provides added quarters beside the lake. Garage accommodation. Good motor roads. June 23rd to November. Booklet (including map of Muskoka Lakes), Rates and Plan of Rooms on request to

150 rooms With hot and cold water.
75 with private bath.
75 with steam heat and private balconies.

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Bond Tenders

2 p.m., July 5, Westmount—$220,000, 4 per cent, due serially May 1, 1935 to May 1, 1970. A. F. Bell, sec.-treas.

5 p.m., July 10, School Mun. Grand'Mere, Que.— $13,000, 5 per cent bonds, dated Oct. 1, 1931, redeemable annually, by series, maturing in 20 years. Bonds form part of an issue of $116,000, whereof $1,000 has already matured. Auguste Desilets, sec.-treas.

DIVIDEND NOTICES

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1934.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1934.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 6th day of August, 1934.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
June 26, 1934.

Weekly Record of Financing in Canada

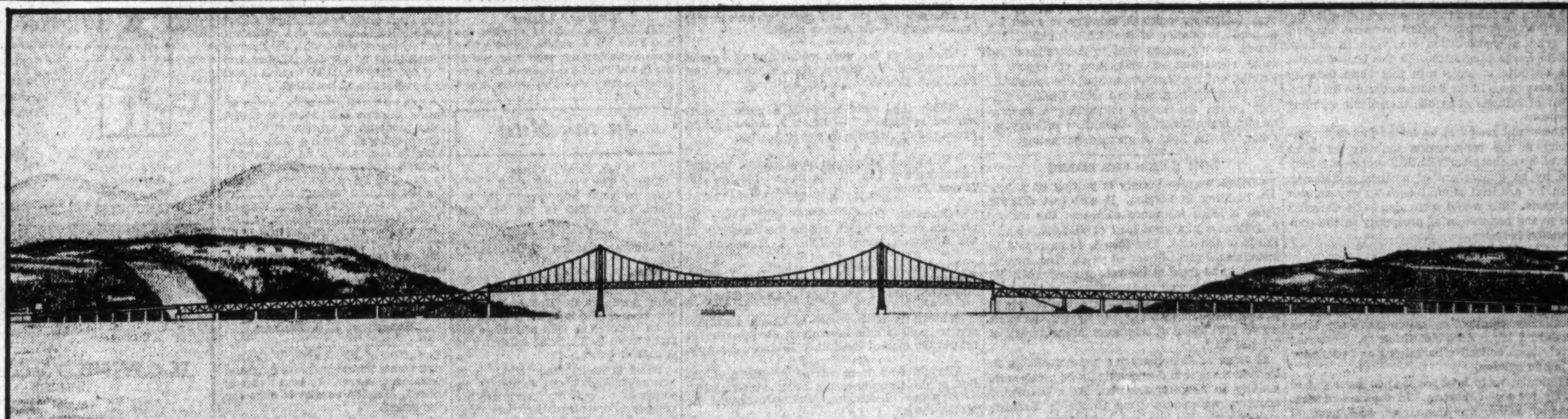
SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Pointe Claire, Que.	June	René T. Leclerc, Bank Can. Nationale, Ernest Savard	5%	15-ser.	$93,200	98.03	.....
Dufferin County	June	Bank of Toronto	5%	1935-54	34,000	105.76	4.35%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
R. C. Episcopal Corp. of Valleyfield, Que.	June	Credit Anglo-Français	4½%	Ser.	$200,000	*100	.....
Stock Issues—							
Smelters Corp. of Canada	June	Mines Management Co.	....	....	275,000 shs.	20	.....

*Offering price.



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Consulting Engineers
Montreal

ISLAND of ORLEANS BRIDGE

IVAN E. VALLEE, Deputy Minister & Chief Engineer
O. DESJARDINS, Joint Chief Engineer
Department of Public Works

Now under construction for the Province of Quebec over the St. Lawrence River connecting the Island of Orleans with St. Gregoire de Montmorency.

The underwater foundations for the Island of Orleans Bridge, three miles below the City of Quebec, afford an excellent example of engineering construction work of unusual difficulty and of a type which this organization is especially well equipped to handle.

The substructure of the central section consists of six piers of which the two main centre piers are being sunk by pneumatic process. The deepest pier is 71 feet from high water to rock.

Strong tidal currents in both directions and depth of water dictated the use of the Company's specially designed floating plant and equipment for the major portion of this marine work. A fleet of company tugs, derrick boats, floating cranes, barges and other craft is engaged at the site. Power, light, compressed air and other services for continuous day and night operation are provided by the company through its own facilities.

This organization is qualified by technical knowledge, experience and the possession of standard and special equipment to undertake all types of marine construction.

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Harbour & River Developments
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Shafts and Tunnels
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MONTREAL TORONTO

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The Financial Post

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Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2

Chairman of the Board—JOHN BAYNE MACLEAN
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MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W.1; E. J. Dodd, Director. Telegraphic Address, Atabek, Lesquare, London.

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TORONTO, JUNE 30, 1934

PUBLIC WORKS AND PROSPERITY

THERE is a better feeling in the Canadian construction industry these days.

From a purely statistical viewpoint the gains made during 1934 have been encouraging with contracts awarded in the first five months of this year almost 100% above the corresponding figure of 1933. Building permits in leading Canadian cities have been slower to show improvement but even here the trend is in the right direction with May figures (latest available) 40% higher than for the same month last year.

Then there is the $40,000,000 public works programme announced recently from Ottawa. Although this is a modest plan compared with the much larger programme originally mooted, it will probably achieve two things. It will strengthen the morale of the industry by giving employment and new buying power at a point where it is badly needed. Secondly it may tide over the industry during a time when the forces of natural recovery are laying the foundation for the larger and more important development which will eventually be necessary in this country.

The force of the latter argument lies in the belief that the new Bennett programme will prove of maximum benefit in this country because, either by accident or design, it has apparently been exceedingly well timed. Thus officials of loan and mortgage companies point out that at the present time there are ample funds available for first-class building loans, once the post-depression construction ball starts rolling. This was by no means true a year or two ago, so that if a similar construction programme had been started at that time, the probability of private construction subsequently keeping the ball rolling would have been very slim.

Great Britain is currently enjoying a building boom of substantial proportions despite the fact that government policy has been opposed to artificial construction aids such as a huge public works programme. In the United States the opposite is true, with this basic industry still very much in the doldrums despite the allotment of billions of public money for building purposes.

The moral seems to lie in the fact that prosperity in the construction industry is better served by a cheap and plentiful supply of money and by an atmosphere of business confidence, than by artificial stimuli such as government contracts. This would seem also to be Canada's cue to the restoration of prosperity in the construction industry.

FAIR WAGES FOR MEN

THE exploitation of male labor is to be deplored. But it is not certain that it can be adequately checked by minimum wage laws. Organized labor does not think so, preferring to rely upon collective bargaining and education of public opinion.

Minimum wage laws for women were passed purely for social reasons. In the case of men, some of whom are unmarried, and some of whom are married and with families of varying sizes, the question is more economic in character.

To be effective, minimum wages for men would have to be set at a rather low figure which might put an end to the outrageous exploitation but which would not by any means solve the problem of insuring every worker of obtaining fair wages.

There is more to be gained by relying upon the 95 per cent of decent and sincere employers bringing pressure to bear upon the five per cent or less of exploiters. As trade associations gain in scope and influence, sweat shop wage rates can be eliminated.

MISEDUCATING CHILDREN AS TO PROFITS

IF BUSINESS were able to make the profits that evidence before the Stevens Commission has led the public to believe it makes, there would be no need for bankruptcy courts or bondholders' reorganization committees.

The terms "gross margin" and "gross profit" have been very loosely used both in evidence and in newspaper headlines. Some newspaper editors have, however, undertaken to explain for the benefit of the average man and woman the vast difference between gross mark-ups and net profits. Notably, the Ottawa Journal has written some interesting and informative editorials.

It is not necessary to explain to readers of The Financial Post that a mark-up of 50 per cent represents only 33-1/3 per cent of selling price and that, after essential and inescapable costs of doing business, including wages, are deducted from that 33-1/3 per cent, the net profit may be very small and in fact, may be a minus figure. Nor is it necessary to go farther and indicate that out of that small net profit the moderate wages and repayment of capital in the form of bond interest, depreciation and dividends must be met.

But it is necessary to explain these things to ordinary people who have had no experience in the world of business. One reason that it is necessary to explain it is that our school textbooks have consistently given a wrong impression of profit. In the public schools the children are given such problems as these to work out.

"Smith buys 12 doz. oranges at 30 cents a dozen and sells them at 5 cents apiece. How much profit does he make?"

Actually that question cannot be answered on the basis of the information supplied. But day after day our children work out such problems at school and get a false and distorted idea of business. It is only later in life that a few of them, who go into business, discover how unavoidable are taxes, rents, depreciation, wages, advertising, and sundry other costs.

ADVERTISING GOVERNMENT

IN A letter to the Advertising Federation of America, President Roosevelt said:

"There is one field of human effort which today is insufficiently touched by the benefits of advertising. You can help to establish in the minds of the people the importance of advertising the functions and operations of the various branches of government. Our citizens are in abysmal ignorance as to how government functions or how it is intended to function."

This statement made by the President might mean anything. It might mean that he feels that the government should purchase advertising space in newspapers, magazines and other periodicals, or time over the air, to educate the public to the different governmental functions. Or it might mean that he simply thinks that any educational effort that informs the public as to how government functions is useful.

In Canada governments have advertised from time to time, sometimes with conspicuous success and sometimes in a very inept manner.

The Ontario Department of Highways uses advertising regularly to sell safety to the public.

The Department of Trade and Commerce uses advertising abroad to sell Canadian goods, and advertising at home to induce Canadians to become interested in export trade.

There are numerous examples of this character where advertising has been used to good advantage.

But there are other cases where governments use advertising simply as a form of political patronage, or, to educate the public to some partisan viewpoint rather than to an understanding of politics as the science of statecraft.

For instance, the Ontario Hydro-Electric System has sent out numerous pamphlets designed to explain its affairs but the Hydro has also used its pamphlets, or permitted them to be used, to pull partisan chestnuts out of the fire and this has thrown its whole educational campaign under suspicion.

To say that governments need advertising isn't enough. The first rule of advertising is to have a good product, and the second rule is to present its story fairly. Governments, in advertising, are not exempt from these rules.

AUSTRALIA FEELS BETTER

THE atmosphere in Australia is generally one of optimism, particularly following the receipt of the big wool cheque. It now seems likely that the Federal Government will go to the country in September rather than wait until February or March of next year. The prospects that they will be returned are quite good. A victory for the present Lyons government would provide another three years in which to carry on with the Australian "Plan" for recovery.

Federal revenues have been buoyant in Australia, and expenditures are below the pro rata estimate for the year. It is likely that a surplus will be shown, instead of the deficit anticipated when the budget was tabled in October last.

Recently, by a judgment of the Arbitration Court, the basic wage was increased by restoring most of the 10 per cent which was deducted in February, 1931, as a means of adjusting, in part, the effect of the depression.

Australia's chief problem now is how to organize its agricultural industry to meet the domestic regulation of the British market. Mr. Bruce, on his recent visit to Australia, urged some regulation or restriction of export to Britain, but the plan was not popular. Australia will probably wait and see what Britain's further moves are before attempting a governmental organization of Australia's primary industry on the lines of planned marketing.

LOW RATES FOR LOANS

ROYAL Empire Society is putting up a new building in London. It will cost £275,000. From a large insurance company, the society is getting a mortgage loan of £180,000, or two thirds of the cost. The loan is to be repaid in installments spread over 40 years. The interest rate is to be fixed at the rate current when the money is advanced and will probably be 4 or 4¼ per cent. From its bankers, the society is getting temporary advances to finance the work up to £200,000 at a minimum interest rate of 3½ per cent.

If rates of this character were available in Canada there would undoubtedly be much more activity in new construction. As a borrowing country, we cannot hope to match Britain's money rates but we can hope for something better than present mortgage and bank rates.

WHY ROOSEVELT LOSES POPULARITY

IN THE United States, there are many people who were enthusiastic supporters of President Roosevelt during the first three months of his term of office who have since become active critics.

The first measures taken by Roosevelt were not only dramatic but constructive. He closed down the banking system in order that only the sound banks might reopen. He cut off the veterans' racket which represented an enormous drain on the public treasury. He effected reductions in governmental expenses and undertook to balance the national budget. He called the nations of the world together to discuss currency and trade policies.

But from the day President Roosevelt sent his message to the World Monetary and Economic Conference, chiding them for toying with currency stabilization, he began to lose caste both home and abroad. Subsequent measures included various experiments with the currency, redefinition of the gold clause in bond issues, clipping of the gold dollar, nation-wide regimentation of industry to increase wages and reduce hours, attempts to hamstring security markets and stock markets, almost reckless spending of public funds, unbalancing of the budget, and a general attack upon almost all institutions which the American people had accepted as traditional.

During the past year, Roosevelt has kept the United States in the turmoil of indecision and distrust. He has estranged most of the other nations. And what has been the result? The United States has shown an upswing of business smaller in percentage than that of almost any other major country.

Maybe Roosevelt will go down in history as the President who did not know when to stop.

EDITORIAL NOTES

A German scientist declares that in another 64 years the world will not have enough iron ore to meet all its requirements. Canada has enormous tonnages of iron ore which it has not been able to get anyone to use. There are few people so optimistic as to declare that we will start using it in time to dispose of it all within 64 years. No, the prophecy probably belongs in the same class as that of Sir William Crookes, who in 1898 predicted that, by 1931, there would be a world shortage of wheat.

* * *

It is argued that the new Liberal group in Ontario are short of seasoned cabinet material. But there is such a thing as cabinet material that is too highly seasoned.

* * *

Most of the people who write to an editor, "I know you won't print this letter" are right. The same mentality that produces such a dare usually produces rambling letters too long to print.

* * *

A western paper runs an article about Canadians making good on the stage and in the radio in Britain while an eastern paper tells of the demand for Canadian hams in London. There is no connection between the items.

* * *

If the new Bank of Canada is to recognize both languages it should be done by bilingual notes, which would not cost any more than notes printed in English only. It is the height of foolishness to put out both English and French notes as has been provided for.

* * *

Liberals regretted as much as did Conservatives the defeat of Hon. Charles McCrea, Ontario's minister of mines, in the provincial election. He is a man of sterling character, loved by all. The same regret is held over the defeat of Hon. T. L. Kennedy, minister of agriculture.

Post-Scripts

THE Mechanics Society of St. John's, Newfoundland, has just celebrated its centenary. The bill of incorporation was signed by Captain Prescott, R. N., Governor of the Colony on June 12, 1834.

The most curious feature of the original bill of incorporation is the list of names of its eight incorporators. Four of them were named:

Patrick Keough, president.
Patrick Kelly, vice-president.
Patrick Kielty, first vice-president.
Patrick McCarthy, treasurer.

Is it necessary to state the land from which many early Newfoundlanders came?

Sayings of the Week

"Cricket was an idea of the gods."—*Sir James Barrie.*

* * *

"Many an ardent friend of peace is losing courage."—*Prof. Arnold Wolfers.*

* * *

"Money is not wealth, but a device by which wealth is exchanged."—*Upton Sinclair.*

* * *

"Germany has already attained the military strength it had in 1914."—*Marshal Petain.*

* * *

"No single nation can arise out of the great depression alone."—*The Prince of Wales.*

* * *

"After all, we are, whether we like it or not, living in a democracy. I like it." — *President Franklin D. Roosevelt.*

* * *

"Trade built upon even a fractional injustice has in it the elements of discredit and decay." —*Hon. G. Howard Ferguson.*

* * *

"A lot of things have been deflated to their proper size." — *John McKinley, President, Marshall Field and Company.*

* * *

"Forty-five is nature's ideal age for man. It is at this age that we can say that human life begins to age."—*Sir Arthur Keith.*

* * *

"Courage is the very mainspring of human progress."—*E. W. Beatty, K.C., Chairman and President, Canadian Pacific Railway.*

* * *

"What the world needs is a more broad-minded selfishness." — *Lewis J. Seidensticker, President of Atlantic Sugar Refineries.*

* * *

"When our provincial and federal governments have a quarrel the people pay."—*R. J. Magor, President, Montreal Board of Trade.*

* * *

"Canadian foreign policy will never be planned on lines which arouse the animosity of the American people."—*John A. Stevenson.*

* * *

"I think and think, for months, for years. Ninety-nine times the conclusion is false. The hundredth time I am right."—*Albert Einstein.*

* * *

"Humanity as a whole is like a giant inventor in an infinite laboratory, distilling in his retorts the man of the future."—*Andre Maurois.*

* * *

"People who were ruined by the devaluation of the franc have not become rich again." — *Stephane Lauzanne, Editor-in-Chief, Le Matin, Paris.*

* * *

"The success of 'Cavalcade' and 'Little Women' should warn purveyors of dirty films that they are backing the wrong horse."—*Dr. S. Parkes Cadman.*

* * *

"Advertising creates an ideal world about which I am rather doubtful. I admit I am not as good as I am advertised to be."—*J. B. Priestley, British author.*

* * *

"If our chief aim is to avoid shocking people, we need not be surprised if they soon reach the conclusion that we have nothing very vital to say."—*Dr. W. B. Selbie.*

* * *

"The American people have frequently made it unmistakably plain that they are either averse to thinking or they are unable to think."—*Dr. Nicholas Murray Butler.*

* * *

"I am confident that the day is past when, helpless and in despair, we must be swept hither and thither by the uncontrolled forces of human society."—*Walter Lippmann.*

* * *

"No community can be trusted to promote social welfare which does not have the self-respect and stamina to insist upon the enforcement of its laws."—*Charles E. Hughes.*

* * *

"As we climb it is necessary to stand on the shoulders of those who went before us and it is hard to keep from giving them a few kicks as we scramble on up."—*Sir Arthur Eddington.*

* * *

"Bringing about the greatest good for the greatest number is not merely an abstraction; it is a necessity if the modern economic system is to function at all."—*Chester C. Davis, Administrator of the U. S. Agricultural Adjustment Act.*

* * *

"Nothing is more depressing than to remark the astonishing number who give absolutely no suggestion of intelligent acquaintance with anything whatever outside the range of business and sport."—*James R. Angell, President, Yale College.*

* * *

"A new director sits on every board. He owns no stock. He votes no shares, but he casts the deciding decisions in corporate management. His name is Government."—*W. C. D'Arcy, chairman, American Association of Advertising Agencies.*

New Books

"GETTING RESULTS IN SELLING," By Paul W. Ivey, Published by The Macmillan Company, Toronto. Price, $2.50

"Times are changing," Dr. Ivey states, "and the business man who does not appreciate this fact and change his methods accordingly will be left behind in the procession. Many business men at present are asleep at the switch; they are not adjusting themselves to the consolidation movement which has revolutionized our methods of production, finance and transportation and is now challenging our traditional methods of distribution."

Thus, "Getting Results In Selling" holds interest for the manufacturer and dealer as well as the salesman, since it shows how co-operation between them is to the advantage of all.

"There is no mystery in selling," according to Dr. Ivey, "simply follow the rules." In his book, the writer defines salesmanship as "getting another person to think as you think, feel as you feel, and getting him to act the way you want him to act." The first principle of salesmanship is making the customer see value. Dr. Ivey pays tribute to the mail order firms who visualize value in their catalogues much more effectively than the average salesman. "I take my hat off to any company a thousand or five hundred miles away who can make me see more value in a hammer, when they put a cut of it on cheap paper with a description underneath, than I can see when I actually have a real hammer in my hand in a retail store."

To salesmen, probably the most arresting statement in this book concerns competitive selling practice. "You don't have to have better merchandise for the money than a competitor in order to beat a competitor out for sales."

Dr. Ivey takes exception to the common notion that salesmen are born, not made. In his opinion, most men can learn the art and science of salesmanship. In simple and concrete terms this book,—significantly dedicated to Walter P. Chrysler, "who gets results," shows the way to success in selling. Apt illustrations, time-tested by successful application in numerous sales organizations, make this volume practical and helpful both to those who employ salesmen and those who sell. But like most books on selling it is superficial. The author apparently is too good a salesman to make his volume profoundly analytical.

"THE MONEY MUDDLE" by Jas. P. Warburg. Published by the Ryerson Press, Toronto, at $2.25.

Mr. Warburg's book divides itself into three parts. In the first part he sets forth in simple and picturesque language his views on money. The most simple-minded of mortals could understand money after reading Mr. Warburg's account of what it is and how it operates. If anything, the treatment is too superficial but Mr. Warburg knows his public.

The second part of the book is naturally the one that has attracted the most attention in the United States. For in it, Mr. Warburg gives the secret history of the development of Roosevelt's monetary policy and the events in connection with it that made newspaper headlines when they took place.

Monetary Adviser

Mr. Warburg, who is a son of the late Paul M. Warburg, the wealthy New York banker, who was one of the founders of the Federal Reserve System, surprised the world when he accepted a position as monetary adviser to President Roosevelt. The Warburgs are a family of traditionally conservative bankers and no one expected Roosevelt to be conservative in monetary or any other matters.

But Mr. Warburg was a young man with a rather progressive viewpoint and one who was not at all bound by inheritance to banking conventions. He did go a long way with Roosevelt in some of his early monetary experiments, including the withdrawal of the United States from the gold standard, but he was not without his misgivings. When he went to London, he was no doubt encouraged by the fact that President Roosevelt had handed to the American delegation to the World Monetary and Economic Conference a set of resolutions which, if adopted, would have provided for a reasonable stabilization of world currencies. Mr. Warburg in his book tells how Roosevelt's frequent changes of mind gave the conference the jitters and doomed it to failure.

He reproduces in full the insolent message sent by Roosevelt to the conference on July 3rd which was the straw that broke that camel's back. He says "As long as I live I shall not forget the expression on Ramsay MacDonald's face when Governor Cox and I called upon him with this message, nor shall I forget the expression on the faces of the hundreds of delegates that crowded around the bulletin board at Kensington that day.

"One voice was lifted in a pean of praise: J. Maynard Keynes, the well-known English economist proclaimed 'Roosevelt magnificently right.'

"Perhaps he was—perhaps the President alone had a vision of a goal that others could not see. To me it seemed a message that could not possibly have come from the man whom I had learned to love and admire."

His Views as to Future

But Mr. Warburg does more than criticize, more than reveal the inside story of fiascos. In the third section, he outlines his own views as to a proper social and monetary policy. He urges "the sensible middle course" in tariffs, in industrial regimentation, and other matters. He says "There is no easy way out. But what has to be done can be done and done cheerfully, not if we are ordered to go about it by a Government that tells us what to eat and when to go to bed, but if we, as free people, will recognize the necessity for common sacrifice, stop talking about our headaches, stop asking for medicine, get to work and support self-Government instead of asking Government to support us."

This is a most useful and illuminating volume by a man, who, at 38, has achieved a reputation not only as a practical banker, but as an original thinker. Perhaps the most significant statement in it is Mr. Warburg's contention that our basic trouble is not one of money and that the remedy for depression is not to be found in altering the monetary system even though he is prepared to accept some changes in it.

No hard money man, he nevertheless has no use for the commodity dollar. His remedy is a restored gold standard, with "equilibrium rates" established between the different currencies, coupled with the recommendations of the Gold Delegation for economy in gold reserves and the avoidance of hoarding.

In the Mail

Mr. Ford's Views

Editor, The Financial Post:

As to your interview with Mr. Ford, reproduced in the St. Paul Pioneer Press. Lack of practical common sense and discrimination is my characterization of Mr. Ford's ideas.

Probably half the people of every country are doing as well as anybody needs to do. But as to all of the rest of the people, not one of them is doing as well as he has the right to do in virtue of existence as a human being.

What is really important? Is it generalizations about humanity as a whole? Or is it discriminating considerations about that portion of humanity which is in need of a better state of existence? The latter, of course.

W. R. STOKES.

St. Paul, Minn.
June 18, 1934.

Other People's Views

Unsound "Prosperity"

Calgary Herald: A prosperity based upon either loaned or borrowed money must obviously be of a temporary character. No man in private life would suppose he was really prospering if his business was conducted on a basis of 100 per cent credit, and in which he obtained "payment" for goods sold by the expedient of lending the customer money wherewith to pay for purchases.

Yet that was the foundation on which the great American "prosperity" during the boom years was based.

Who is Happy in Russia?

Portland Oregonian; In discussing the happiness of the Russian people, Walter Duranty of the New York Times, most noted of American correspondents stationed at Moscow, states: "I should doubt that the peasants, who still form more than 75 per cent of the population, can be said to be happy in the new and unfamiliar framework of collective farms." A few sentences later in his article, he adds: "As far as the urban population is concerned, the hardships and shortages that have been involved by the back-breaking struggle for rapid industrialization have also not brought happiness." As we see the matter, that leaves only Stalin with a laugh in his heart.

End of War Debts

Washington Post: There is little satisfaction, and still less surprise in the way in which the war debts entanglements has at last been pushed into the background of international problems. British refusal to make further payments was virtually assured when the Johnson resolution became law, in spite of the later moderating opinion of the attorney-general. Having been inferentially stigmatized as in default, regardless of its heroic efforts to pay in full and its willingness to keep the books open through token payments, the obvious course for the British Government was to save further trouble by accepting the none too soft impeachment. The British lead, one may confidently anticipate, will be gratefully followed by our other war debtors, Finland alone excluded.

Honesty of U. S. Bankers

New York Herald Tribune: The conviction of Mr. Joseph W. Harriman comes as the end of a long and prominent career. It is a tragedy indeed. But the verdict is none the less sound.

In retrospect, we think it is becoming steadily clearer that whatever errors of judgment the bankers of America made in the boom years there was no general breakdown in banking morality such as it served the political needs of the present Administration to portray as existing. The errors of judgment were, as a matter of fact, shared generally by business men and the whole country. The cases of actual moral collapse, such as occurred in the case of the president of the Harriman Bank, were extraordinarily rare.

College Men at Work

London Free Press: University graduates must not expect they can step out and run big business, take hold of the affairs of the country and assume immediately large executive positions. They must be prepared to start at the bottom, often at humiliatingly small salaries but eventually, with better trained minds and a superior background, the opportunities for advancement are more numerous.

Few of the students who graduate this year will ever regret their four years spent at Western and most of them will look back upon the period in the future as the happiest time of their lives.

A Comparison

Regina Leader-Post: It is clear that the chief executive of the United States has a higher opinion of the press than the chief executive of Canada. Mr. Roosevelt, the other day, addressed this wire to a gathering of American news writers in convention at St. Paul, Minn.: "Newspapermen have been, and are, rendering real and valued service to the nation. It is gratifying that they accept the great responsibilities that go at all times with their work."

Premier Bennett's attitude toward the press was illustrated in Parliament not long ago when he hinted at what he regarded as the desirability of imposing a censorship upon it. Further, Mr. Bennett doesn't believe in conferring with the press as Mr. Roosevelt does. The American President appreciates the usefulness of the press to such a degree that he has conferences with correspondents and political writers at the White House about twice a week.

"Stop Me If You Have Heard This One"

A certain country minister posted this notice on the church door: "Brother Smith departed for Heaven at 4.30 a.m."

The next day he found written below: "Heaven, 9 a.m., Smith not in yet. Great anxiety."

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1866 1934

One of the first of this Company's many productions for the Dominion of Canada was an issue of Convertible Stock, engraved in 1868.

OLDER THAN CONFEDERATION

IN 1866 this Company was organized for the one specific purpose which it still fulfils—that of providing Governments, banks, business concerns and municipalities with quality engraving for all forms of monetary documents.

British American Bank Note Company Limited

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Business Conditions in Canada

The Week in Business

All Indices Advance

REVIEW of business activity during the first half of the current year, as is customary at this time, reveals much cause for optimism. The Financial Post business index has shown, month by month, the increases in business activity which have taken place and the advance which has been made from a year ago. Now, estimates made by The Financial Post, of six months figures of a group of leading business indices, give some indication of the improvement recorded in various lines of activity. It is remarkable that no case could be found where the showing in the first six months of 1934 compared unfavorably with the same period of 1933.

Even allowing for the fact that business during at least three of the first six months of 1933 was at its lowest ebb of the depression, some of the improvement is remarkable. The steel industry, for example, recorded four times as much production as in 1933; automobile production was more than doubled; and foreign trade increased by almost 50 per cent. A table showing the percentage change of some leading indices from the first six months of 1933, follows:

Percentage Change in 15 Business Indicators*
(First 6 Mos., 1933 to First 6 Mos., 1934)

	%
Steel output	+300
Auto. output	+123
Construction contracts	+ 96
Exports	+ 50
Imports	+ 45
Failures	— 42
Iron output	+ 42
Electric output	+ 29
Bank debits	+ 28
Employment	+ 24
Car loadings	+ 22
C.N.R. gross earnings	+ 20
C.P.R. gross earnings	+ 15
Wholesale prices	+ 7
Insurance sales	+ 2

* Estimated by The Financial Post from available data.

* * *

Canned Fruits Scarcer

HIGHER prices for canned fruits are considered as likely due to the small stocks on hand and the apparent certainty of a small pack this year, The Financial Post learns. Although the pack of vegetables is also likely to be shorter than last year, the price level may not change owing to a heavy carryover of tomatoes and fair stocks of other vegetable lines. As far as tomatoes are concerned, the expected export to the United States has not materialized; any export to United States would, of course, stiffen prices in the domestic market.

It is considered too early in the season to make any estimate of the size of crops. Latest reports, however, state that tomatoes got off to a bad start with dry and cold weather being experienced at planting time; other vegetables look fair only. Fruits suffered severely from winter kill; many peach buds were lost in this way but a fair crop is expected in some areas although the total will be considerably below that of 1933. Strawberries and raspberries look like a fair crop, early prices are about last year's level.

India Increased Imports From Canada in 1933-1934

India's imports from Canada amounted to 3 lakhs rupees, and her exports to this country 39 lakhs rupees, according to a special survey of the import trade of India for the fiscal year ending March 31, 1934, prepared by the British Trade Commissioner.

It is explained that "one lakh rupee" is equivalent to 1,000,000 rupees, or approximately to £7,500 on an exchange rate of 1/6d. The value of India's imports from Canada increased by 2 lakhs rupees, (or approximately $55,000), while exports declined by one lakh rupees, the net increase in the total trade being approximately $37,000.

The report points out that motor lorries was the only item worthy of mention on the import side, five lorries being imported in excess of the previous year's figure of 46. The value, however, was considerably lower.

As to exports, tea shipments to Canada advanced in value in spite of a drop of just over 1,000,000 lbs. in the quantity shipped. Cocoanut oil, the next important article of export, increased in value and in quantity.

Alberta Oil Output

Alberta oil wells produced 106,443 barrels in April, which included 102,091 of crude naphtha and 1,765 of light crude oil from the Turner Valley field; 2,080 of light crude oil from the Red Coulee and Keho fields and 507 of heavy crude oil from the Wainwright field.

Fish Prices Higher

With fish prices from 20 to 25 per cent higher than last year, the value of the Nova Scotia catch for the four months ended April 30th, is $302,751 better than for the corresponding period of 1933.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.75	$6.25	$5.85
Copper, lb.	.09	.09	.08
Cotton, lb.	.1215	.1215	.0960
Rubber, lb.	.1338	.1368	.06
Sugar, raw, lb.	.0315	.0303	.0340
Silk, lb.	1.22½	1.25	2.35
Wheat (Man.) bu.	.77¼	.77½	.74½
Hides, lb.	.10½	.10	.12½
Coffee, lb.	.10½	.10½	.07½
Weekly Indices			
N. Y. Annalist	115.1	114.5	93.3
Fishers'	78.0	77.4	†63.6
N. Y. Journal of Comm.	76.7	76.0	63.7
Crumps (Brit.)	64.5	64.5	†62.4
U. S. Labor	74.6	73.8	64.5
Canada (D.B.S.)	71.9	71.7	...

† Average 1933.

Monthly Indices

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
Retail (May)	78.7	79.6	77.0
W'sale (May)	71.1	71.1	66.7
U. S. Labor (May)	73.7	73.3	62.7
Gt. Brit. (Apr.)	69.4	70.0	65.6

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio, No. 7, spot, New York.

NEW MODELS MAY APPEAR IN AUTUMN

Auto Industry Would Avoid '34 Strike Hold-up

DEALERS' PROBLEMS

Trade-in Price Competition Takes Profits Out of Retailing — All Groups Discuss Remedies

Automobile models for 1935 are expected in the late autumn, The Financial Post is reliably informed. It is explained that last year when manufacturers made an effort to bring out their new models together at the beginning of the year, labor agitators and organizers seized the opportunity to call a strike of key trades with the result that many manufacturers were unable to meet the demand for new cars when the season opened. Manufacturers do not intend to risk the possibility of a recurrence this year.

It is stated that the strike situation which threatened the Border Cities this spring has been entirely cleared up. Strike demands were bared as a plot of professional agitators of the Communist variety. Following this disclosure there has been no more trouble from the motor plant employees. Demands of employees of two accessory firms which actually went on strike were met, the increase in wages being about 3 cents an hour.

Manufacturers Pleased With 1934

While production schedules have been pared considerably during the past few weeks, some primary operations being almost entirely discontinued for the season, manufacturers are well pleased with 1934 results. Export orders have added to greatly increased domestic sales to keep plants busy for a longer period than any year since 1931.

Despite the larger volume handled by dealers during 1934 the situation as far as they are concerned is not bright. Trade-ins have cut so deeply into profits that it is only with difficulty that the more prosperous can keep out of the red, with many unable to do so.

Dealers' Problems

Some form of fair trade code for the automotive industry which would solve the industry's major problem of competitive bidding on used car turn-ins, is admitted by all groups to be desirable. For a time it was thought that the United States N.R.A. code had solved the problem by setting zone maximums for different makes and models, but recent reports from the United States indicate that, in practice, the plan has not proven feasible.

Just as control of dealers in the United States has been found impossible, so many authorities argue that the same situation would prevail in Canada. It is pointed out that there would not be a great deal of difficulty in checking large city dealers and factory branches but the problem of forcing the many smaller dealers to maintain a definite schedule of prices without direct Federal policing would be insurmountable.

Manufacturers Co-operate

Manufacturers are willing to co-operate with the retail trade to help the latter surmount this problem which is squeezing all profits out of automobile selling, but they frankly state that they cannot hope to do anything startling when local dealers' organizations find it impossible to control their own members. Recognizing, however, the present difficulties confronting the retailer some method of giving the dealers more margin to work on is at present under discussion. If such a margin is accorded, of course, there can be no guarantee that dealers will not use it to further intensify the competitive bidding on trade-ins.

Think Code Unworkable

Serious consideration was recently given to a proposed code of fair practice drawn up by J. R. Dixon, of Ottawa, and submitted to various groups in the automotive industry. This fair trade code, which is frankly based on the N.R.A., is directed chiefly to the retail trade and stresses, along with the trade-in problem, the difficulties of traders and finance companies with regard to liens.

The Canadian Automotive Chamber of Commerce has decided to withhold further consideration for about two months pending proposed changes in the United States legislation. The Financial Post was informed, however, that it does not consider that a workable plan could be adopted owing to the difficulties of controlling individual dealers. Such local dealer organizations as have considered the Dixon plan have not commented on it. There is no national body of automobile retailers.

General Motors' Plan

In an attempt to solve the turn-in price problem, General Motors have caused a list of recognized allowances to be placed in the showrooms of all their dealers. This list should not be confused with similar lists produced in the past showing used car prices. It is admitted that this listing of trade-in prices is an experiment but it is felt that if it accomplishes the defeat of competitive bidding between dealers handling the same make of car it will be one step in the right direction. Whether it can accomplish this without helping dealers handling competitive makes is the question.

More Tourists Expected

New Brunswick Government reports enquiries from non-resident anglers, seeking fishing dates in the province this year, at a forty per cent increase over last year.

Prairie Fishermen

Fish caught, for commercial purposes, in the waters of Saskatchewan last year brought $186,417 to the fishermen—a slightly better showing than the previous year, according to a federal report.

Prairies and Quebec Lead In May Business Advance

Only British Columbia Fails to Record a Higher Level of Activity, According to The Financial Post Business Index

BY SIDNEY B. SMITH

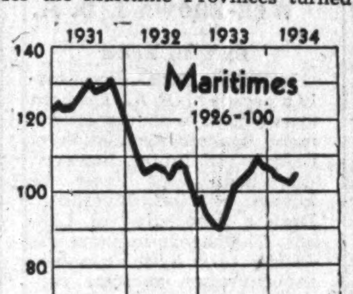
Regional indexes of The Financial Post made an excellent showing in May, gains being recorded in each of the economic areas, except in British Columbia where the change was very slight. The Prairie provinces and Quebec showed marked gains, while substantial increases were also shown in the Maritimes and Ontario.

Each of the economic areas east of the Rockies showed gains in building permits, while the Maritimes and Ontario chalked up gains in the award of contracts. Electric power production showed gains in each area except the Prairie provinces, the Maritimes and Quebec starring in this respect. Ontario was the only area showing a gain in seasonally adjusted employment. Bank debits showed marked gains in the Prairie provinces and the Maritimes, especially the former. Sales of life insurance were greater in British Columbia.

Increases Predominate

Increases were predominant among the specific indicators applying particularly to the different areas. Exports through Maritime province ports showed a sharp gain. Three industries located in Quebec showed expansion to higher levels. The meat packing and automobile industries added a constructive influence to the economic situation in Ontario. Receipts and prices of wheat were more favorable for the Prairie provinces.

Maritime Provinces.—The index for the Maritime Provinces turned



up sharply in May following five months of moderate recession.

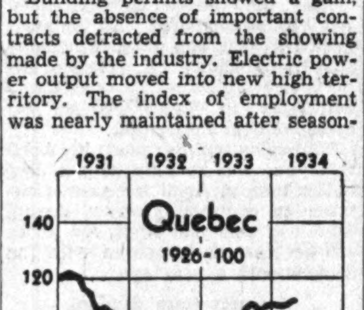
New business obtained by the construction industry was greatly boosted in May, the outstanding contract being for the freight sheds in Halifax at $1,500,000. Building permits also showed significant increase. The index of electric power moved up from 117.8 to 204.6 Adjusted employment was not at so high a point and the sales of life insurance declined. Cheques cashed in the three clearing centres were much greater. Export trade through Maritime ports were specially heavy in May, while imports showed recession.

The economic index for the area was 105.3 compared with 103.4 in April.

Quebec Business Gains

Quebec. — Conditions in Quebec showed sharp betterment in May.

Building permits showed a gain, but the absence of important contracts detracted from the showing made by the industry. Electric power output moved into new high territory. The index of employment was nearly maintained after season-



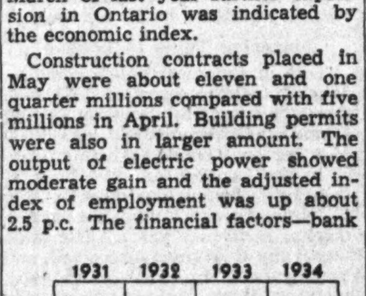
al adjustment. Bank debits retreated to a lower position, the decline in speculative trading being reflected in the reduced turnover of bank deposits. The index of the output of leather boots and shoes moved up from 94.1 to 100.3. Imports of raw cotton by the textile industries for further manufacture made an excellent exhibit in the month under review. The output of newsprint reached within striking distance of the predepression volume.

The net result was that the index for Quebec moved up from 112.5 in April to 116.7 in May.

Ontario Advance Continues

Ontario.—In continuance of the upward trend in evidence since March of last year further expansion in Ontario was indicated by the economic index.

Construction contracts placed in May were about eleven and one quarter millions compared with five millions in April. Building permits were also in larger amount. The output of electric power showed moderate gain and the adjusted index of employment was up about 2.5 p.c. The financial factors—bank



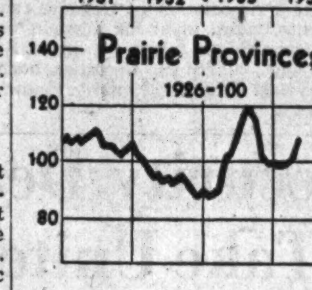
debits and sales of life insurance—showed reaction. The automobile industry recorded further expansion in May, progressive adjusted gains having been shown since the first of the year. The index of the meat packing industry moved up from 126.8 to 130.8. While the output of steel showed moderate recession, the production of pig iron was at a higher level.

The Ontario economic index moved up from 101.8 to 102.6.

Prairies Index Jumps

Prairie Provinces.—A sharp gain was recorded in the index of the Prairie Provinces due to marked increases in bank debits especially at Winnipeg, and a more active grain movement with advancing prices.

Construction was at a low ebb in the Prairie provinces during the spring months. The index of electric power production was off from April and the adjusted index of employment dropped from 90.6 to



89.1. The gain in bank debits was spectacular, the amount being $805,000,000 compared with $337,000,000. Wheat receipts at country elevators were 8,336,000 bushels compared with 7,349,000, the gain being contrary to seasonal tendencies. The price of No. 1 Northern wheat averaged 70.6 cents per bushel as against 65.5.

British Columbia.—British Columbia has shown considerable recovery since the end of 1932, but there was a slight recession in May as compared with April.

New business obtained by the construction industry was less than in April, the average daily output of electric power was 3,724,000 kw.h. compared with 3,665,000. The gain in the index of industrial employment was less than normal for the season. Bank debits dropped from $138,600,000 to $129,300,000. The sales of life insurance were in greater amount, the index being 137 compared with 131. Recession was shown

in external trade through British Columbia ports.

The net result was that the index for the area was nearly maintained at 96.9 compared with 97.0.

Digest of Parliament

OTTAWA, June 18, Commons—Companies Act passed. Farm debt relief legislation reported for third reading. Amendment to Food and Drugs Act passed. Supply voted.

Price Spreads Committee — Sessions held every day of week, except Saturday, and evidence taken regarding labor conditions in textile and boot and shoe factories, chiefly in Quebec.

June 19, Commons—Amendments to Dominion Notes Acts and Finance Act introduced. Farm Debt relief legislation passed. Revised Canada Shipping Act passed. Public works programme bill introduced.

Senate—Excise and Marketing bills passed. Amendments introduced to Meat and Canned Goods Act, Canada Grain Act, Royal Canadian Mounted Police Act, Special War Revenue Act and Customs Act.

Banking Committee — Excise bill approved. Private bills considered.

June 20, Commons—Amendments to Criminal Code introduced. Amendment to Elections Act given first reading. Dominion Franchise Act given first reading. Income Tax amendment considered in committee. Canadian and British Insurance Companies Act passed. Amendments to Finance and Notes acts passed.

Senate — Quebec Savings Bank Charter bill passed. Commons amendments to Canada Shipping Act referred to committee. Farm Debt relief legislation introduced. Customs Tariff amendments passed. Second reading given to Meat and Canned Foods Act amendment; Canada Grain Act amendment; Food and Drugs Bill, Special War Revenue Bill and Royal Canadian Mounted Police Bill.

Banking Committee — Revised Bank Act approved.

June 21, Commons—Hon. R. J. Manion asked leave to introduce charter bills for new companies to take over the express and telegraph services of both large railways. Opposition developed and bills temporarily shelved. Bank of Canada Bill debated.

Banking Committee—Private Bill affecting Discount and Loan Corporation aroused controversy and decision postponed until June 26.

Senate—Third reading given to Canada Grain Bill, Royal Canadian Mounted Police Bill and Special War Revenue Bill. Revised Bank Act passed. Amendments to finance and Dominion Notes acts introduced. Farm Debt relief legislation given second reading.

June 22, Commons—Franchise Act given second reading and referred to committee. Elections Act amendment given second reading and sent to committee. Bank of Canada Act considered in committee. Motion for bilingual money defeated.

MAY OPERATIONS MANUFACTURING NEAR BOOM LEVEL

Final Post Index Shows Gains of 4.5 Per Cent

Business operations expanded markedly in May, the final version of The Financial Post business index being 96.7 compared with 92.6, a gain of 4.5 p.c. over April. Without the smoothing adjustment, a greater gain would have been shown in the index. Advances were in the ascendency in most industries included in the compilation, and a number of gains were outstanding. Operations in manufacturing plants moved up sharply with predepression levels being approached in some lines.

While still at a high level, mineral production showed recession from the preceding month. The manufacturing index moved up from 87.7 in April to 100.2 in May, emphasizing the marked advance taking place in industrial operations in the current period. The index for the production of foodstuffs moved up from 77.8 to 85.1, mainly reflecting more active conditions in the milling and meat-packing industries.

Heavy Cotton Imports

Tobacco releases were in heavier volume, the gain in the adjusted index being 11 p.c. Crude rubber imports declined. Imports of cotton made an excellent gain.

The forestry index moved up from 94.2 to 103.6, newsprint production being the star performer. The primary iron and steel industry was more active, the production of pig iron being 38,000 tons compared with 27,400.

Automobile production even after seasonal adjustment has shown progressive increases since the beginning of the year. Crude petroleum imports made an excellent showing in May, the adjusted gain over April being more than 59 p.c.

Bank Debits Heavy

The index of bank debits after adjustment for seasonal tendencies and price changes was 141.2 compared with 128.5. The index of employment in Canada was just maintained after adjustment for seasonal tendencies.

CAN. WIRE BOXES PROFITS $75,333 OR $1.01 A SHARE

Previous Small Loss is Changed to Substantial Profit

Canadian Wirebound Boxes Ltd., showed a net profit of $75,333 for the year ended April 30, equal to $1.01 for each Class A share, as compared with a loss of $1,361 for 1933. Net earnings were about two and a half times as much as for 1933, being $127,444 against $51,215. The position of the company reflected improved general industrial conditions throughout Canada, stated James Playfair, president.

Dividends were resumed on Class A shares with three payments on arrears in December, 1933, and March and June, 1934, and the directors expressed the hope that as earnings improve the small balance of arrears now, owing, would be cleaned up in the near future. A balance of $17,826 compared to $1,902 last year was carried forward.

INCOME AND SURPLUS ACCOUNT
Years Ended April 30

	1934 $	1933 $
Net earnings	127,444	51,215
Less: Depreciation	43,309	47,054
Oper. exp. w/o	4,223	4,223
Def. experiment & testing w/o	1,299	1,299
Prov. for taxes	3,280	......
Net profit	75,333	*1,361
Less: Spec. surplus	7,012	.....
Class A divs.	51,729	35,807
Surplus for year	16,592	*37,168
Add: Prev. surplus	1,902	39,147
Prior yr. adjust.	....	850
Less: Addit. tax prev. years	468	927
Loss on bonds	200	......
Bal. carried for'd.	17,826	1,902

*Loss.

Working capital was increased from $327,459 to $346,704. Of the current assets the chief items were, call loan $140,000, accounts receivable $121,794 as against $96,539 last year and inventory $161,893 against $100,900 for 1933. Total assets were $346,704 compared with $327,459 in the previous report.

WORKING CAPITAL

	1934 $	1933 $
Current assets	425,685	368,960
Current liabilities	78,981	41,501
Working capital	346,704	327,459
Ratio	5.38—1	8.87—1

Largely due to a sharp increase in accounts payable from $31,307 in 1933 to $60,728, current liabilities were up from a total of $41,505 to $78,981 but, as already reported, this increase was more than offset by the improvement in current assets.

Ontario Fish Catch Lower Last Year

Marketed value of the product of the Ontario fisheries in 1933 was $2,089,842, compared with $2,147,990 in 1932. Trout and whitefish are the principal kinds of fish, the former with a total value in 1933 of $493,291, and the latter with a value of $458,607. Other kinds with a value of $100,000 or over, in 1933, are blue pickerel, tullibee, perch, pickerel or dore, and herring. There are no fish canning or curing establishments in Ontario, the whole of the catch being marketed for consumption fresh.

The total quantity of fish of all kinds caught during the year was 292,012 cwt., with a value at the point of landing of $1,677,031, compared with a catch of 308,627 cwt., and a caught and landed value of $1,708,157, in 1932.

Maritimes and B. C. Lead

Research into soil nutrition and related problems is more advanced in New Brunswick, Nova Scotia and British Columbia than in the other provinces, according to the view of Clifford H. Robinson of Ottawa, Acting Dominion Chemist.

B.C. Door Plants Production High For Export Trade

From Our Own Correspondent

VANCOUVER.—Tariff preference and the N. R. A. are the two factors chiefly responsible for an unprecedented rush of business for British Columbia's sash and door factories, most of the orders being from the United Kingdom and Australasia. Departure of a freighter with 11,000 doors for Great Britain—the largest cargo of its kind ever to leave this port—reflects the general activity in this industry, and indications are that the sash and door trade will be strong for some months to come.

The increase in business has been sudden. During the first five months of last year the exports of doors from Vancouver totalled only 1,604, but so far this year exports have aggregated more than 80,000. An industry which was virtually dormant a year ago has now reached a volume of production never before approached.

The British preference amounts to two shillings a door, which is sufficient to divert a good deal of business from the Scandinavian countries to British Columbia. Operators say, however, that if it were not for the operations of the N. R. A. and the high price list imposed by the codes a large proportion of the business would probably go to the well equipped sash and door plants of the Northwest states, which in the past have always accounted for a good deal of the business coming to this territory.

NET EARNINGS EASTERN STEEL SHOW DECREASE

But Bank Loan Paid Off and Working Capital Up

Eastern Steel Products net earnings suffered another set back for the year ended Nov. 30, 1933, being $26,906 as compared with $37,180 for 1932 and $90,046 for 1931. Sales, stated A. K. Cameron, vice-president were down sharply from the total of 1932, though it is understood that this company since the end of the fiscal year last November has shared in the general industrial improvement.

After the regular preferred dividends, which amounted to $27,496, had been paid there was a deficit for the year of $28,033, as compared with $71,841 in the previous year. But in 1932 $52,315 had been deducted for depreciation whereas in 1933 only $27,443 was so deducted. The balance carried forward was further reduced from $310,664 in 1932 to $282,133.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Nov. 30

	1933 $	1932 $
Net earnings	26,906	37,180
Less: Depreciation	27,443	52,315
Net profit	*537	*15,135
Less: Pr. pf. divs.	27,496	27,706
Common divs.	......	29,000
Surplus for year	*28,033	*71,841
Add: Prev. surp.	310,664	439,553
Disc. on stk. red.	......	448
Less: Inc. tax adj.	498	700
Com. divs. pr. yr.	......	29,000
Call loan res.	......	25,000
Pr. yr. adj.	......	2,796
Balance forward	282,133	310,664

*Loss.

More Working Capital

Although current assets were down from the previous year, $887,036 against $911,959 the reduction in current liabilities from $116,379 to $86,118 more than counterbalanced this, and the working capital was increased from $795,580 in 1932 to $800,918.

WORKING CAPITAL

	1933 $	1932 $
Current assets	887,036	911,959
Current liabilities	86,118	116,379
Working capital	800,918	795,580
Ratio	10.3—1	7.8—1

Of the current assets the main item is Government and municipal bonds $338,422, which is the same as for the previous year, call loan of $135,000 as against $142,000 in 1932 and other loans amounting to $31,425. Accounts receivable were $109,125, or about $25,000 down from the previous year while inventories of $246,486 were almost exactly $1,000 larger than for the previous year.

While accounts payable were up from $69,446 to $84,679 the bank loan of the previous year of $46,137 was wiped out.

PAC. TERMINALS REORGANIZATION AGAIN PROCEEDING

Negotiations With Consolidated Smelters; Earnings Show Improvement

Pacific Coast Terminals has increased operating profits, which brings the question of reorganization again to the fore. The company, which operates a deep sea dock and modern cold storage plant at New Westminster, B.C. is at present under management of the bondholders' trustee.

Although a steady advance in earnings in the last year or two is reported, it is understood that no hope is held within the near future of the company being able to meet its fixed charges. In consequence, it is reliably reported, negotiations to reorganize are proceeding with Consolidated Smelters. The latter is the largest source of revenue to the company on account of bar metal and fertilizer shipments from the smelting plant at Trail, B.C., for export across the docks at Westminster. Pacific Coast Terminals is a subsidiary of Consolidated Smelters.

Early in 1932 the terminal company defaulted on its interest payments on a first mortgage 6½ per cent bond issue of $1,500,000. There is also a debenture issue of $300,000, the interest of which was guaranteed by the city of New Westminster. When the latter was asked to meet this the municipal authorities countered by an action which resulted in removing the company from the special assessment list, where taxes amounted to about $400 per year, to the regular assessment where taxes now amount to about the interest on the debentures.

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Business Briefs

Pig Iron Production in May amounted to 38,189 long tons compared with 27,355 tons in April. In May last year all furnaces were closed down.

Steel Production in May was 71,437 long tons as against 70,363 tons in April and 23,000 tons in May a year ago.

Car Loadings in the week ended June 16 numbered 44,482 as against 42,933 in the previous week and 40,571 in the corresponding week of 1933.

Electric Output in May reached a record high of 1,829,681 M kilowatt hours. In April output was 1,696,646 M kilowatt hours and in May, 1933, the total was 1,349,942.

Failures under the Bankruptcy Act in the week ended June 16 numbered 15 as compared with 33 in the same week of 1933. For the year to date failures total 497 as compared with 858 in the same period of 1933, a decrease of 42 per cent.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly — Latest — 1934	1933	Cumulative Total Jan. 1 to date 1934	1933
Transportation—				
Car loadings (June 16)	▲44,482	40,571	1,003,372	825,564
C.P.R. gross earn. (June 21) $	▲2,143,000 $	2,531,000 $	53,706,000 $	47,271,000
C.N.R. gross earn. (June 21) $	▲3,246,631 $	3,217,050 $	75,014,260 $	62,859,492
Business Conditions—				
Weekly index D.B.S. (June 16)	▲92.9	85.8	....	....
	Monthly			
Business Conditions—				
Financial Post index (May)	▲95.9	73.5	....	....
Transportation—				
C.P.R. net earnings (Apr.) $	1,270,465 $	538,465 $	4,496,904 $	1,835,944
C.N.R. net revenue (Apr.) $	1,506,211 $	‡134,839 $	1,571,213 $	‡4,158,082
Iron and Steel (May)—				
Pig iron production (tons)	▲38,189	....	120,521	35,353
Steel ingot prod., (tons)	▲71,437	23,126	333,509	98,862
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (April)	10,630	5,495	23,681	13,024
Factory output (May)	▲16,504	8,024	56,274	26,854
Trucks and Buses:				
Domestic sales* (April)	1,453	583	3,127	1,378
Factory output (May)	▲3,657	1,372	11,905	4,065
Exports (May)	▲4,973	2,229	20,810	6,891
Construction—				
Building permits (May) $	2,942,096 $	2,065,372 $	7,852,733 $	6,726,695
Contracts awarded (May) $	17,383,100 $	6,514,100 $	48,707,800 $	24,826,100
Newsprint (tons)—				
Production (May)	242,539	177,776	1,031,996	723,068
Exports (May)	▲222,070	168,718	938,276	655,086
Sugar (lbs.)—				
Melting & shipments§	42,808,879	46,463,194	148,716,351	185,859,911
Manufactured§	41,631,337	41,167,462	148,798,969	190,704,556
Flour (bbls.)—				
Production (April)	1,088,785	1,013,486	4,297,761	3,722,279
Wheat flour exports (May)	481,725	565,080	2,092,547	2,020,155
Trade (May)—				
Imports $	52,886,861 $	32,926,630 $	201,306,325 $	134,274,794
Exports $	57,899,511 $	45,576,337 $	232,322,257 $	160,708,378
Wheat exports (bush.) (May)	19,023,770	21,464,848	46,296,107	66,369,905
Employment (May 1) D.B.S. Index—				
All industries	92.0	77.6	......	......
Manufacturing	90.2	76.8	......	......
Electric Power Output (May)—				
Total monthly (000's omitted)	▲1,829,681	1,349,942	8,663,184	6,714,048
Aver. daily	▲59,022,000	43,547,000	....	....
Other Industrial Indices—				
Lumbering: (May)—				
Plank & board exports, mill ft.	▲112,777	75,690	503,925	247,708
Boot & shoe prod., pr. (Apr.)	1,645,894	1,442,020	5,682,619	5,103,681
Crude petrol. imp., gal. (May)	▲98,900,000	83,981,157	313,410,044	242,145,778
Cotton imports, lbs. (May)	▲15,987,000	8,111,000	59,208,000	33,326,000
Raw rubber imp., lbs. (May)	▲4,968,000	3,817,398	26,033,297	12,851,447
Coal imports, tons (May)	▲1,560,577	938,835	3,731,916	2,810,665
Finance—				
Failures: (D.B.S. figures)—				
Number (Apr.)	141	184	574	806
Liabilities (Apr.) $	2,009,381 $	3,022,466 $	9,438,703 $	14,041,597
Bank debits† (April) $	2,536,000 $	1,877,000 $	9,712,000 $	7,563,000
Bond sales (May) $	75,156,737 $	3,642,849 $	180,688,335 $	38,574,725
Life insurance sales (May) $	33,184,000 $	32,938,000 $	156,864,000 $	156,540,000
Automobile Financing—				
Used cars (April) $	1,388,735 $	998,769 $	3,259,302 $	3,037,099
New cars (April) $	2,101,501 $	1,065,995 $	4,302,846 $	2,974,196

*Comprising over 90 per cent of total Canadian sales. †000's omitted. ‡Deficit. §For 4 weeks to May 19.

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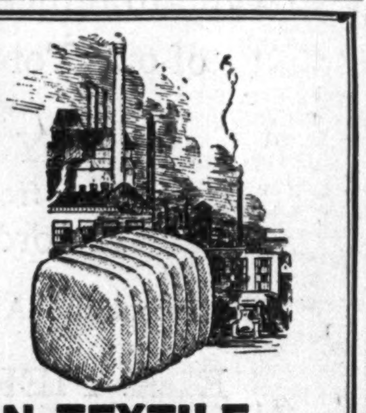
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MORE AND MORE PEOPLE ARE *Changing* TO DUNLOP FORT
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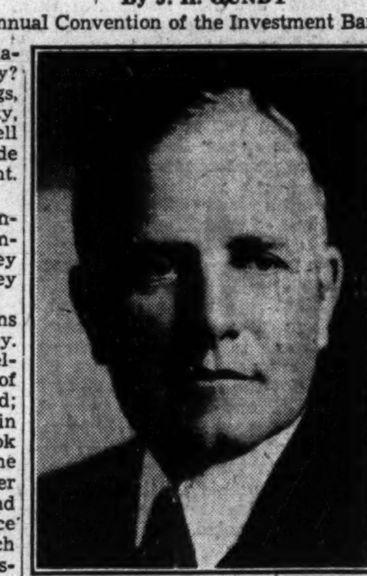
Investment Bankers An Asset To Community, Says J. H. Gundy

Frank Analysis Made of the Security Dealers' "Balance Sheet" Position

By J. H. GUNDY

Address Delivered at Annual Convention of the Investment Bankers Association of Canada



J. H. GUNDY

Is the investment banker a liability or an asset to the community? I suppose, like many other things, he is both an asset and a liability, and I think it would be as well if we first look at the liability side of the balance sheet for a moment.

Causes of Lost Money

The investment banker is considered a liability by a certain number of the community, because they have lost money in securities they bought.

There are a number of reasons why they have lost their money. First I would put as the overdevelopment of facilities: the building of railroads that were not needed; where there were railroads in existence already that fully took care of the requirements of the country: the building of paper mills that were not needed, and which by their very existence caused old established mills which were adequately serving their customers to begin to lose money.

Things of this sort have been the cause of a great many people losing their money, and they are very difficult things to stop, because back in our minds we all have the old British tradition: "Live, and let live, and the devil take the hindmost." We resent and are suspicious of all sorts of control from that involved in incorporating the bond dealers to restrictions that would prevent the overdevelopment of our facilities.

We have a marvellous country to develop. There are lots of ways in which money can be wisely and usefully employed, and it is not only an injury to the man in the business to create unnecessary facilities but it is using the capital that should be used in the sound development of the country, and it is using up the activities of the bond dealers, in a way that will cause future grief.

Over-Capitalization

Another cause of loss is over-capitalization. We have probably heard more of this than of any other cause, but personally I think it has had less effect than any other factor on the situation. Over-capitalization is something which has a tendency to check itself, because, after all, we must allow that the people to whom we sell bonds are reasonably intelligent, and that they can read a balance sheet, and know as well as you or I if the project is over-capitalized. Therefore, I do not think over-capitalization is one of the major causes of loss.

Wrong Capitalization

The third reason for loss is wrong capitalization. I think we sometimes issue bonds when we should have issued preferred stock, and sometimes we have issued preferred stock when it should have been common stock. I think this is a bad thing to do, and I think we should watch out for it in the future.

Of course, there is something to be said on the other side. If an industry declines, the man who has a bond has a stronger grip on the assets and is in a better position, as a rule, to protect himself, than is the holder of the common stock.

When there is any doubt as to whether we should issue bonds or preferred stock, let us issue preferred stock; and if there is any doubt as to whether it should be preferred or common stock, let us make it common stock— in other words, have the denomination of the security on the safe side, rather than on the side of borrowing it easier. I think that is something we should learn from this depression.

Question of Management

Another cause of loss is bad management. As we all know, one of the most difficult things to do is to estimate years ahead, or months ahead, or even five minutes ahead, how a human being is going to perform. We all know of men with long experience in an industry under certain conditions who, when they were moved into other conditions failed to measure up to their responsibilities.

I think one of the greatest causes of loss in the past few years has been due to bad management, and it is something to which we can well afford to give our most careful consideration, because a man may be a good executive today and he may go to pieces tomorrow. This is an element which we as investment bankers or bond dealers, or investment dealers, must not lose sight of for a minute.

Political Interference Costly

Another cause of loss is the loss that occurs from political interference. I believe we all know of cases where investors have lost millions of dollars to satisfy the political antagonism, or the personal grudges, or the stupidity of politicians.

This is something in which we have a perfect right to be interested. It is very easy for us to say to ourselves that because we are in the investment business, and we have to deal with governments of all kinds, that we will have no politics. Gentlemen, we cannot afford to have no politics. If we are going to occupy the position to which we are entitled because of the stake we have in the country, I think it is our duty to take a serious interest in every political activity in it.

An Outstanding Record

After all those causes of loss have been mentioned, one might assume most of the money that has been invested has disappeared. As a matter of fact, that is not so. I have before me some figures which indicate that during the past twenty years (and, after all, that is not a very long time) we sold in Canada, in Great Britain, and in the United States, through the men here or their predecessors, $11,485,000,000 of securities. I have taken some trouble to determine what percentage of those securities has made good. I have not had access to all your figures, but I have been able to examine quite a considerable number of them. If the figures I have studied give an accurate picture of the whole situation (as I believe they do) over 99-1/3 per cent of all the securities sold have paid their interest and principal on time.

The two thirds of one per cent of the securities that we have sold and that have gone bad, have created more trouble, and noise, and talk, and chatter, than we have ever heard of the 99-1/3 per cent which are in the hands of investors and have made good.

Set High Standards

The reason for this is partly that we have all through the history of our business set very high standards of performance for ourselves, and as a result the public have set very high standards of performance for us to attain. In other words, during periods of development we do not expect any of our securities to go bad. If we are interested in them, it is because they are good, and we therefore feel they must be all good. When a very small percentage goes wrong it not only creates an inferiority complex within ourselves, but it creates in the minds of the public the idea that a much larger percentage of securities than is really the case go wrong. At the same time I know we all recognize it has been unfortunate that all our securities have not stood up.

Give Full Information

I think there are one or two useful steps which we might take in addition to what we have already done; one is to go to the limit—beyond what we have ever done so far—in obtaining and passing on to our clients the fullest information we can possibly get. But, for our own peace of mind in the future we might as well remember, and our clients understand, that the building up of a new country like Canada cannot take place without somebody taking risks. There may be losses in the future. There may be mistakes made in the future. There may be securities which will go wrong in the future. The idea of making the world safe for democracy or anything else, is a good thing to aim at and try to achieve, but it is something no one has ever accomplished, and never will accomplish so long as the world is set up as it is.

Consider the Assets

I think that is enough about the liabilities.

Now, the assets.

I consider the investment bankers are in the first rank as an asset to the community. From the viewpoint of personnel, there is not a finer, more intelligent, more sincere, more hard-working body of men in the country. There is not a class of men who have spent more time without pay, or who have more sincerely looked after the interests of their clients, than the men of this organization.

It is well recognized that in order to achieve any success at all in the investment banking business requires men of character, integrity and ability, who are willing to devote their time, effort and intelligence to the interests of their clients. The people who buy securities are the shrewdest and keenest people in the country. They are very quick to appreciate the qualities of those with whom they are dealing, and if a man without the qualifications I have mentioned were to enter the bond business his stay in it would be most remarkably short.

Investment bankers, quite aside from their activities as such, with their experience, training and background, are a tremendous asset to the community. Furthermore, the business of investment banking in itself is, in my judgment, one of the necessary and essential bases of organization for the development and maintenance of modern civilization.

Every branch of development — power companies, paper companies, railroads — all the mechanism that makes the difference between comfort and discomfort, is financed through the facilities of the investment bankers.

Provide Necessary Capital

I heard the other day of a power plant in Ontario, which has no bonds, no preferred stock, no common stock, no directors. It consists of just the plant and a manager. This man wound the wire on his own generators. He went to a farmer here, and a farmer there, and got the right to string his wires along the fence post, and on the trees. He has been gradually building up the system for thirty years, and he is making a living out of it. But, supposing you started to build the Shawinigan system, or the Southern Canada Power system, or any great system in that way! The only difference between this man's way and A. J. Nesbitt's way, or Sir Herbert Holt's way of developing a power system is simply this: when a big organizer of a power company is going to build a power plant he gathers in and uses the savings of thousands of people which they have been accumulating for ten, or twenty, or thirty years; whereas this little fellow has to save up in order to get every morning the money he is going to spend during the day.

Of course, when you have gathered up $20,000,000 and handed it to Sir Herbert Holt, saying, "spend that on a power plant," he does not keep it. Every dollar of it goes out for wages and material, in a few weeks or months. Somebody makes a profit, and the money is passed right along the line, to the grocer, the butcher, the baker, in the building of houses, and so on. When the power plant is in operation it goes on earning for the money that is invested in it, and the same money is used over and over and over again developing the country, at a rate that would be absolutely impossible if we had not the best investment organization of any country in the world. The result is we have more machinery, and more railroads—too many railroads, in fact—and more of all the things that mean civilization. While there are only ten million inhabitants in our country, nevertheless we have everything anybody has, for the simple reason that we can finance through investment bankers.

The reason Canada is so comfortably placed is because of the activities of the investment bankers.

There is a lot of loose talk being indulged in at the present time about credit, repudiating debts, and so on. All we need consider about that is that the reason we have been able to do what we have done, is because we have not only been industrious in promoting Canada's activities and development, but because the public in Canada, and abroad believe the Canadian people are honest and will pay their debts.

We have a good deal to look back upon with pride as investment bankers in Canada. But, great as have been the achievements of the past, and satisfactory as they are to look back upon, I am convinced, as I am standing here, that the period upon which we are now entering is the greatest period that Canada has ever seen. We have a splendid start. We have a wonderful banking system — if they do not spoil it. We have railroads and facilities of all kinds far more than we need. There is no reason in the world why the investment bankers should not devote themselves in the next few years to the development of our facilities and trade with such skill and energy as has never been known. We are afforded an opportunity, through careful selection, and through energetic promotion of legitimate activities, to place this country in a position such as she has never occupied.

I think the investment bankers have made mistakes. There is a certain sense in which it may be said they have been a liability, but I think the overwhelming evidence is in favor of the judgment that the investment bankers in Canada are one of the greatest assets the country has.

Old and New Presidents

—Canada Steamship Lines photo.

Ward C. Pitfield, of Montreal, left, retiring president of the Investment Bankers Association of Canada, congratulates Robert W. Gouinlock, of Toronto, right, upon his election to the office for the next year. The photograph was taken on board S.S. Quebec, returning from Murray Bay, Que., where the Canadian bond men held their annual convention last week. The association is now known as the Investment Dealers Association.

Security Dealers Take United Action On Current Problems

I. B. A. Convention Draws Many Investment Bankers

FINANCING TO FORE

Government Financing Occupies Prominent Place in Discussions at Meeting

By Staff Editor

MURRAY BAY.—Dealers in investment securities from Halifax to Vancouver, in attendance at the 18th annual Convention of the Investment Bankers Association of Canada, reaffirmed acceptance of the responsibilities which they have toward the investing public.

Developments over the past 12 months have given rise to many problems of importance to the investment banking fraternity. The need for united action in meeting these problems and creation of policies to meet new contingencies were to the fore in the association's deliberations. This was evidenced by the presence at the meeting of an unusually large number of senior partners in investment banking firms, whose activities are of Dominion-wide scope.

The meeting this year was under the presidency of Ward C. Pitfield, of W. C. Pitfield & Co. Under his direction attention was given to a discussion of current problems in the investment banking field as bearing on added protection to the investor.

Raise Money in Canada

An open forum on Canadian Government and municipal financing, led by A. D. Cobban of Toronto, gave the members an opportunity of setting forth their views on this important phase of investment banking. It was the opinion of members that wherever possible public financing by municipalities and the larger governmental bodies should be carried out within the Dominion.

It was also recommended that steps should be taken to create a central borrowing authority under the jurisdiction of the Dominion Government or individual provinces, similar to those now in operation in Quebec and Saskatchewan. Opinion also favored a closer supervision of sinking funds and the restriction of investment of sinking fund moneys.

Committees Make Report

Reports were submitted by several committees covering their activities during the past 12 months. R. W. Gouinlock, of Toronto, reported on matters handled by the executive committee.

Ralph D. Baker, of Winnipeg, in his report outlined financial conditions in Western Canada and urged closer co-operation between members of the association in Eastern and Western Canada.

A. D. Cobban, of Toronto, presented an exhaustive report on municipal administration and finance. The matter of defaults was gone into at length, as also were sinking funds, tax collections and overlapping taxation.

Other group chairmen reported on such matters as provincial Government legislation, Western Canadian municipal administration and finance, corporation finance, and business conduct.

Nesbitt on Utilities

A. J. Nesbitt, of Montreal, in speaking before one of the luncheon gatherings, said that, except in a few areas, the power industry was not over-developed. He substantiated his contention by quoting current figures of record production. He further emphasized the point that privately-owned utilities should not be taxed while publicly-owned properties are exempt.

Hon. R. F. Stockwell, provincial treasurer of Quebec, spoke at the annual dinner, telling the members of the administration of municipal finance in Quebec Province. W. Amyot, registrar of the Quebec Security Frauds Act gave his observations on "blue-sky" legislation, urging that investors be given the fullest information before being asked to purchase securities.

J. H. Gundy, of Toronto, presented in a forceful way his views on the "investment banker" as to whether or not he was a liability or an asset to the community.

Pitfield Reviews Situation

In his annual address to the members, W. C. Pitfield said, in part:

"The optimistic predictions as to trade and financial improvement made at the last annual meeting in June, 1933, by my predecessor in office have since been substantially fulfilled. A very real improvement in world trade, and consequently financial conditions, has taken place. In so far as Canada is concerned, a brief analysis of our business and financial position follows:

"For the twelve months ended April 30, as compared with the same period a year ago, Canada's favorable trade balance, i.e., excess of exports over imports, increased from $77,000,000 to $149,000,000—an increase of over 93 per cent.

"Canadian employment in April this year was roughly 20 per cent better than in April last year. Construction contracts awarded during March of this year improved about 136 per cent as compared wtih the same month a year ago.

Business Gain Evident

"Increase in velocity and amount of Canadian business is evidenced by a 32 per cent increase in bank debits for March over last year, and a comparison of the same months shows an increase of over 47 per cent in industrial production.

"Improvement in Canada's domestic and foreign business has been accompanied by a substantial improvement in commodity values, Canadian wheat now selling at roughly 22 per cent over last year—beef cattle 11 per cent—hogs 48 per cent—timber 53 per cent—sulphite pulp 20 per cent—copper 18 per cent —and lead and zinc 6 per cent; and we all know that the price of gold has improved over 35 per cent.

"Canada's position is so bound up with that of her railways that it is of interest to note that net earnings of the Canadian National Railways system for the period May 1, 1933, to April 30, 1934, have increased $9,152,453, or 400 per cent over the same period a year ago, and net earnings of the Canadian Pacific Railway system for the same period have increased $4,535,034, or 23 per cent.

Financing Turns to London

"One of the most outstanding financial developments in 1933 was the very successful flotation by the Dominion Government of £15,000,000 of 4 per cent bonds maturing 1953-58 in the London market—the first substantial borrowing done by the Dominion Government in the London market in twenty years. The issue was many times oversubscribed, and having been brought out at par, yielding, 4 per cent, is now quoted at 108½, yielding 3.39 per cent.

"Emphasizing the trend of Canadian Government financing to London, the oversubscription has recently been announced of a further £10,000,000 of 3¼ per cent bonds, issued at 96½, yielding 3.48 per cent. It is probable that recourse will be had to the London market in even greater degree by the Dominion, its provinces and its municipalities, as Great Britain continues to be receptive to the issue of our securities and as the financial position of the Dominion and its borrowing authorities improves with the very substantial improvement in Canadian Government and railway revenues now being experienced, and the cumulative effect of reduced expenditures and economies put in effect over the last few years by the Government of the day.

Government Financing in 1934

"In October, 1933, members of the association actively engaged in the distribution of the Dominion of Canada $225,000,000 Conversion Loan. The proceeds of this loan were used to retire $169,071,850 of Dominion of Canada 5½ per cent bonds, maturing Nov. 1, 1933, and $40,000,000 of short-term treasury bills, the balance for the Government's general purposes. The issue was oversubscribed in one of the shortest selling campaigns on record.

"Early in 1934 the Government adopted a policy of domestic short-term treasury bill financing which had long been advocated by this association, and in March $15,000,000 of treasury bills were offered on a yield basis of 2.85 and 3.12 per cent respectively, and in April a further issue of a similar amount of treasury bills was made with yields of 2.41 per cent and 2.71 per cent in accordance with maturity.

"It is to be hoped that this practice of financing the Government's temporary needs will be continued, to the end that a short-term domestic treasury bill market may be established in Canada, not only for the Dominion itself, but also for our provinces and municipalities.

Forced Conversion Unlikely

"The combination of a steadily improving bond market with a corresponding decrease in the cost of money, and the very substantial improvement in Government revenues, brought about by recent trade improvement, occurs at a most opportune time for Canada; moreover that combination of circumstances makes it clear that the forcible conversion to lower interest rates which has been so much discussed in the public press, and has been so frequently denied by the Honorable the Minister of Finance, has not the remotest chance of taking place; on the contrary the conversion of Canadian indebtedness to lower interest will take place in a normal and orderly manner, and the Dominion may continue to face the world with its obligations met punctually and to the letter of the bond."

Gouinlock Elected President

Following the presidential address, R. W. Gouinlock, of Toronto, was elected president. R. A. Daly, of Toronto, and Harry Ford, of Winnipeg, were elected as honorary presidents, while A. H. B. Mackenzie was re-elected honorary treasurer.

Those elected to the office of vice-president included H. E. Cochran, Toronto; J. E. Savard, Montreal; R. D. Baker, Winnipeg; and A. D. Lauder, of Vancouver.

Personnel of Committees

Committee selections follow: Executive committee—East—J. Ernest Savard, J. D. McTaggart, M. A. Thomson, E. C. Cumberland, G. G. Ryan, R. E. Haldenby, of Montreal; Oscar Dubé Quebec; F. J. Brennan, Saint John, N.B.; and E. S. Morse, of Halifax.

Executive Committee—Central—H. E. Cochran, H. N. Bawden, A. D. Cobban, H. Fry, A. H. Gilmour, R. W. Gouinlock, T. R. Harrison, H. G. Leeming all of Toronto.

Executive Committee.—West — H. H. Dingle, Winnipeg, W. M. Houston, Regina, R. D. Baker, Winnipeg, H. G. Nares, Winnipeg, D. M. Duggan, Edmonton, L. Glasgow, Winnipeg.

Executive Committee — Pacific — A. D. Lauder, Col. A. M. Brown, M. F. Wardhaugh, Graham MacDonald all of Vancouver.

I. D. A. to Succeed Well-known I. B. A.

By Staff Editor

MURRAY BAY.—For nearly a decade "I. B. A." has been synonymous with the Investment Bankers Association of Canada. In future, however, this body will likely be known as the Investment Dealers Association of Canada. The change in name was decided upon by the members in convention as some confusion had arisen as to old title, due to prohibition of use of the term "investment banker" by Parliament when the Bank Act was revised.

It was the opinion that the new designation, though still not officially approved, would more clearly indicate to the public the business of the members, and would comply with the change in the Bank Act. The members also gave consideration to the matter of incorporating their association, but it was decided that activities should be conducted for the time being on a voluntary basis.

Robert W. Gouinlock New I.D.A. President Is Toronto-Trained

Robert W. Gouinlock, newly elected president of the Investment Dealers Association of Canada for the 1934-35 year, is a Torontonian by birth and education, and his whole business career has been centred in the Ontario capital, most of it with his own firm, Bell, Gouinlock & Co., bond dealers, of which he is president.

He is not fond of publicity. Toward the press, he has a retiring disposition, but not toward his friends. Once the ice is broken, he is exceedingly frank. At times he has emphatic opinions, and can express them in suitable language, but not always for publication.

On business matters he is courageous. His official attitude is one of cautious consideration. He thinks twice before making a public statement.

Apparently for no particular reason, he is sometimes called "Count Robert," in bond circles. One acquaintance comments: "He's one of the brightest bond traders in this country."

R. W. GOUINLOCK

He plays golf left-handed.

In appearance, Mr. Gouinlock is fair, with blue eyes, light brown hair. In build, he is of medium height, about five feet, nine, and stocky. In the last 15 years he has gradually added to his avoirdupois.

He resides on Glen Road in Rosedale, which is considered a highly respectable Toronto district. His offices are on the tenth floor of the Canadian Bank of Commerce building. This is well below the top story, but gives a good view of his native city.

Mr. Gouinlock is not quite sure whether he is president of the Investment Bankers Association or the Investment Dealers Association. The term "investment banker" has been prohibited by the House of Commons in its revision of the Bank Act. But the revision has still to receive the Royal assent. If this prohibition is finally adopted, Mr. Gouinlock will be the first president of the association under its proposed new name.

R. W. Gouinlock was born in Toronto in 1892. He attended Upper Canada College, and graduated from the University of Toronto in 1914. He is a Bachelor of Applied Science, but rarely admits it.

Enlisted in 1915

His first job was with the Canadian Bond Corp. in 1915, but he enlisted the same year. He spent the years 1915 to 1919 overseas with the Canadian Engineers.

In February, 1920, shortly after his return from the war, he formed his present firm in association with the late Norman Bell, who died in 1930. Practically all Mr. Gouinlock's business career has been with his own firm. He is also interested in Bell, Gouinlock & Gillespie of Winnipeg.

Mr. Gouinlock has been a vice-president of the Investment Bankers Association for the last two years. This is the usual route which the president of the association takes to office. For this reason, it is indicated that Ernest Savard of Montreal will succeed Mr. Gouinlock as president next year, which, however, is another story.

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THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JUNE 30, 1934 | 10c a Copy; $5.00 a Year | No. 26

Exports of Farm Produce But 15% Canada Total

But Foreign Markets Thought Vital to Dominion Farmers to Improve Standard of Living

By DR. T. W. GRINDLEY
Chief, Agricultural Branch, Dominion Bureau of Statistics

The domestic market absorbs the great bulk of our farm production. Nearly half of our Canadian population or about five million people live on the farms and, especially in these days, are as self-sufficient as possible. Naturally, they provide a large immediate market for their own products. In addition, the other half of the Canadian people living in towns and cities provide an outlet for an almost equal amount of farm commodities.

85 Per Cent Consumed at Home

For many of our agricultural products over 90 per cent of the total Canadian production is consumed in this country. It is difficult to calculate the percentage of our total agricultural production which is domestically consumed, but some approximations can be made from available statistics. In the first place, the calculation must be confined to the 44 agricultural products for which primary production statistics are available annually. Valuing the exports of these products at point of production, we find that 14.9 per cent of our farm production in 1932 was exported and 85.1 per cent consumed in Canada.

The same calculation cannot be made for 1933 yet because the shipping season for some of our important crops continues until the end of July. If stocks of commodities on hand are considered, and these were generally high and increasing during 1932, then the percentage exported is lowered to about 10 per cent. If due allowance is made for exports of goods manufactured from products of farm origin, then the percentage exported is raised to 16.8 per cent, with 83.2 per cent consumed in Canada. As mentioned previously, these calculations involve some difficulties but they are reasonable approximations and serve the purpose of showing the relative importance of domestic and foreign markets to our farmers.

Too Much Attention to Export?

With such a high proportion of our farm products finding a market at home, it may be suggested that we are paying too much attention to foreign outlets. The importance of foreign markets to Canadian agriculture is related to two facts:

1. Most of our farm commodities are produced in such quantities that a small surplus is available for export. It is well-established that these surpluses have a price-depressing influence out of all proportion to their amount.

2. Several of our very important products (e.g. wheat, cheese, apples, cattle and hogs) are produced in such quantities that a considerable surplus is available for export.

Exports Raise Subsistence Level

Without export markets or with seriously reduced export markets, our farmers are placed more or less on a subsistence basis. The products which in large measure provide the cash and additional buying power of Canadian farmers are the specialized or cash crops and certain livestock products and these are the products in which exportable surpluses exist. To the farmer, they actually mean the difference between profit and loss. To the Dominion, they mean the difference between a farm population necessarily subsisting on the farm output and a farm population with an extra purchasing power able to sustain factories, transportation companies, and the various branches of a national economy.

Of the 44 agricultural products for which primary production statistics are available for 1932, we find that no exports are recorded for 9 of these products. Another 17 have less than 5 per cent of their total 1932 production entering into foreign trade. Another 7 fall in the class where between 5 and 20 per cent of the 1932 production was exported. Only 11 out of our 44 most important farm products have more than 25 per cent of their production entering into export trade. Only 3 (wheat, cheese and apples) have more than 50 per cent of their production exported.

Three Products Dominate

The value of the 3 products mentioned comprises 28 per cent of the total value of production of the 44 products and 73 per cent of the value of exports of these same 44 agricultural commodities.

The value of the 11 products (over 25 per cent of whose production is exported) comprises 30 per cent of the total value of the production of the 44 products in Canada and 92 per cent of the exports of these products from Canada. These 11 products are wheat, wheat flour, cheese, apples, concentrated milk products, tobacco, rye, flaxseed, wool, maple sugar and clover seed, other than red.

Thus, while foreign markets provide an outlet for a small fraction of our farm production, this fraction is exceedingly important in its influence on Canadian farm prices and incomes. The expansion of these markets should be a constant endeavor. In the present sheltered state of markets in many countries, the United Kingdom is a regular haven. There is, however, a great possibility of improving our share of imports into the British market. For instance, of the three farm products, wheat, apples and cheese, only 39 per cent of the value of all imports of these products into the United Kingdom in 1933 was secured from Canada.

In summary, it must be apparent that we can anticipate an increasing domestic market for our farm products, especially since our population is increasing at the rate of about 1.8 per cent per annum. Further, it is evident that this domestic market is tending to increase its absorption of specialties relatively more than staples and it is well to recognize this trend. There is still, however, a dependence on foreign markets which is vital not only to the profit side of our agriculture, but to the continuance of the industry itself.

Fish Experts Study Age and Vitamins

Newfoundland's Marine Laboratory Making Important Contributions to Atlantic Fishery

By GEORGE WHITELY, JR.

The outright purchase a few weeks ago by the Newfoundland Commission-of-Government of the Fishery Research Laboratory at Bay Bulls on the east coast of the Avalon Peninsula, marks one of the most important moves by the new Commissioners of that colony to improve the lot of our major industry.

Created in 1931 under the joint sponsorship of the Newfoundland Government and the Empire Marketing Board, this Marine Laboratory under the supervision of Dr. Harold Thompson has already done invaluable work in laying a foundation for the scientific prosecution of the fisheries. Moving slowly toward a gradual accumulation of relevant, correlated facts, this unique Atlantic Coast laboratory has for the past year been concentrating attention on problems which, while purely biological, may have far-reaching effect on the great cod-catching industry carried on now for upwards of 400 years. The work of the laboratory may also prove equally important in respect of other types of Atlantic fisheries.

Age of Cod

In brief, attention is being focused on a study of the composition of various age-groups of cod and salmon. For therein lies the only clue that can enable the industry to obtain beforehand any information about the prospects of the near year's fisheries. By measurement and scale examination catches can be analyzed and the different ages of the fish composing the catch recorded.

Generally a Newfoundland cod has to be 6 years old before it is large enough to make a medium-sized merchantable fish and very few cod more than 9 years old are found in the catches. Thus each annual brood is a potential source of wealth to Newfoundland for not more than 4 years. Sometimes, owing more to unfavorable conditions in the sea than to any other cause, a brood, that is the cod born in a certain year, is partially wiped out. Eventually, especially if this catastrophe should happen two or three years in succession, this serious situation will be shown in decreased commercial catches, what the fishermen speak of as "bad years."

Systematic Sampling

Systematic sampling, the collection of scales and length measurements, of a large number of fish over a wide area—from as many parts of the Island and Banks as possible—will show the year classes that are both abundant and scanty and on such a basis forecasting may be attempted. Because data available to the laboratory is at present limited, so far only one advance statement has been made public—that for salmon in 1933.

Judged by the course of the fishery this estimate was substantially correct.

Cod Liver Oil Research

The technological work of the Laboratory has been centred on seeking to improve the means of blending and standardizing cod liver oil; the design and construction of a simple type of mechanical fish drier; and the demonstration of more efficient food preservation and canning methods.

Oil as a commodity is more easily standardized than fish, and Newfoundland cod liver oil has this virtue—the lightest average vitamin potency of all cod liver oil. Further work by the biochemical investigator, O. N. L. MacPherson, has confirmed the discovery made last year that the rich vitamin value of Newfoundland cod liver oil, especially that on the west coast, is due to the relatively slow growth rate of the cod and the accumulation of vitamins in the liver of the fish. This result has been followed by British workers who now tend to explain the exceptionally high vitamin potency of halibut liver oil on the fish-age basis.

Big Selling Point

If this valuable quality of Newfoundland cod liver oil can be guaranteed to the consumer on the authority of Laboratory tests, the fact must inevitably prove to be of striking sales value. Already British demand for oil of exceptional vitamin content, which was slow during the earlier months of the year in spite of the favorable preferential tariff, has increased so considerably that for this type of oil demand is greater than supply.

Fortunately the cod liver oil exports are handled by only a few firms who have well regulated shipments and maintained rigid inspection. In April, 1934, the Commissioner for Natural Resources made it compulsory that all shipments of cod liver oil must be examined for potency tests by the Research Laboratory. Market requirements are now extending beyond vitamin A to vitamin D, and in order that Newfoundland oil can be assayed for vitamin D potency to meet this added market demand the Laboratory is now equipped with a colony of white rats for determining biologically the vitamin D values.

Aids Farm Animals

Although the importance of the rôle of cod liver oil from the standpoint of human health and well-being is now widely and keenly recognized, the potentialities of the oil as a tonic and metabolic factor in the rearing of farm animals has not been appreciated so fully. Yet it has been strikingly demonstrated that the growth of young farm animals is promoted to the extent that profitable returns can be realized from the marked increase in weight and rapidity of growth.

By aiding calcium and phosphorous assimilation cod liver oil assures strong well-formed bones in growing animals. The iodine content of milk is increased by feeding cod liver oil to cows. The mortality of baby chicks is reduced considerably by cod liver oil; egg production is stimulated and the texture of the egg shells improves. The feeding of cod liver oil in proper dosage to farm animals does not give the meat an oily taste if the oil is discontinued a short time before the animals are slaughtered.

Newfoundland's production of medicinal and common cod oil for 1933 amounted to about 300,000 gallons, a considerable decrease from the years previous. It is hoped that the oil market will strengthen during 1934. The prevailing price to fishermen is 50 cents per gallon. A rise of ten or twelve cents would stimulate production to 500,000 gallons at least. This amount and more is needed if British demand continues.

Canned Fish Experiments

Experimentation with vacuum-canned fish products was also continued during the summer at the Laboratory. In this process, instead of subjecting the canned food to high temperatures and successive boilings, as in ordinary canning practice, which inevitably affects both the appearance and texture of the product, air from the can is totally withdrawn by a mechanical vacuum-forming technique. Thus the products have a high average quality. Several varieties of these are available for trial sale; salmon, salmon croquette — an excellent sandwich filling; cod tongues, smoked cod fillet can be had in various sizes of can from 6 to 20 ounces, at prices from 10 to 25 cents per can.

"So This Is Main Street": 3. A Chain Store Town

Belleville's Front Street Numbers Are Higher Than Usual Total of Absentee Ownership Stores Which Makes It An Interesting Place to Study

By OAKLEIGH DALGLEISH

"Imagine a town served entirely by chain stores..."

The merchant who suggested this ultra-modern community followed it up with a short but none-the-less impressive, though hardly inspiring, description of what he believed it would be.

The town he pictured was degenerate. Local government had been left to the workers who had neither the initiative nor ambition for the task. The life of the community had been shipped out as bank credits to the big cities where the chains were headquartered, so that it became simply a communal dwelling place for labor.

Chain Store Town

Belleville comes fairly close to meeting the first part of the description. Does it meet the second?

Passing down Belleville's "Main Street" (Front Street it is called) I became the victim of an hallucination. Front Street at first glance was a horrible nightmare. It was literally in possession of the chains. Strolling back up this street a short time later I counted 23 chain stores, almost all of them shoulder to shoulder on the east side of the street.

Just imagine walking down a street not ten minutes walk from end to end and having to read from a row of signs like this—Dominion Stores, National Bakery, Atlantic and Pacific, Superior Stores, Tip Top Tailors, Loblaw's, Walker Stores, Eaton Groceteria, Canadian Department Stores, Kresge's, Agnew-Surpass, Woolworth's, Naborhood Stores, Bowra Stores, United Cigar Stores, People's, Metropolitan, Ideal Stores.

Opposite Side of Street

For a moment Front Street was terrifying. The remainder of the buildings that stood out to casual observation were given over to theatres, hotels, banks and garages. It took a second, deliberate parade along this Main Street to realize that there were other merchants, largely specialty shops, drug stores, fruit stores and restaurants. The majority occupied small 15 to 20 foot frontages and to complete the contrast stared serenely across at "Chain Row" from the opposite side of the street.

One soon learned that this was a farmers' town. Manufacturers such as Deacon Shirts, P. & F. Corbin, Belleville-Sargent, Carthage Machine Co., Stewart-Warner Alemite Corp., and Consolidated Optical Manufacturers, to mention a few of two score who paid a million and a half dollars in wages to 1,300 employees, seemed of less account in the eyes of the Front Street citizenry.

Decoration by Evan Macdonald.

GOOD ROADS HAVE WIDENED THE SHOPPING RADIUS OF THE LARGER TOWNS

To impress me with the tremendous farming area back of Belleville, a merchant stated that Ringling Bros. had drawn 50,000 people to the town on circus day. In the last six years, he told me, the town had become an oasis to the tourist traffic which trade could be "really surprising."

All Dressed Up

Front Street, like all the other Main Streets I have visited, has adopted modern dress. There was but a single vacant shop on the whole thoroughfare and it was being renovated, painted an apple green, and got ready for occupation. A real estate man advised me it had been vacant two months. It had housed a novelty shop and was about to become a ladies' ready-to-wear.

I have his word for it that the town has not changed very much in twenty years. The theatres, one at either end of Front Street, a garage and the filling stations, apart from the new shop fronts, represent the entire transfiguration.

Nearing Century Mark

A headache and attractive window led me into a drug store. I asked for the proprietor and was immediately introduced to the oldest merchant in town. Rev. A. L. Geen, an ordained member of the Anglican diocese, had owned the pharmacy for 63 years. The business has actually been established 99 years, he having purchased it from his employer, the founder, back in 1871 when pharmacies were just what the name implies and nothing more.

Right in this store was to be found the whole history of change in Belleville and environs for over three-quarters of a century. Mr. Geen, though still active in business, is really the lieutenant to his son but every change in the store has been the work of this extraordinary octogenarian.

From Drugs to..

There was the time when he ran a coal oil business in conjunction with the pharmacy, supplying the community for miles around. But when the fuel suffered a slump in prestige and the railroads improved he returned all his attention to the construction of the modern day drug store. Along about 1914 he introduced stationery as a sideline, then magazines. Novelties of all kinds seemed to follow as a matter of course but many were soon relegated to the variety stores as cosmetics and toilet articles began to crowd for space. Today his original business is crowded into a very small, though very modern corner at the back and A. L. Geen is a member of a co-operative buying unit, the Independent Druggists Association.

But let us try and gain a picture of Belleville from his reflections over twenty years, a sort of composite background against which to measure change.

Those flat green fields we passed on the edge of the town, resembling so much the English meadows, are actually an airport for the government flying school. The graceful little concrete bridge that spans the river with a single arch was 20 years ago a crude timber structure with cumbersome, disfiguring iron bracers and a rumbling plank floor that boomed like a thunderstorm every time a wagon crossed it.

Still Recognizable

The Main Street knit into the highway by this and a similar bridge at its other end disappeared when the join was made. That is the annoying and recurring paradox of all these small communities... nothing has changed yet all is change.

There can be no doubt that anyone returning to Belleville after two decades, or yes even one, would not recognize Front Street. The buildings are there as the real estate agent assured us, but the names have gone. The Ritchie Department store is still a familiar town name, but the sign has gone, painted out to become the Canadian Department Stores. C. N. Sulman, the large contemporary, has gone completely, defeated, we are told, by ruthless competition "although one suspects there was more than that to it." McIntosh's old dry goods store is the Walker Stores Ltd., and Angus McFee is still the name of the oldest jewellery, but the founder and the shop of his inspiration have been forgotten in the chaos of sale and change.

Challenge to the Alien

Jonas Bargman, who used to keep a very modish dry goods store, is now a grocer. S. A. Hyman, the oldest furrier, quit so recently the sign has not yet come down. And Thomas Walters, who came more than 40 years ago, is still there although his shop is cut to a newer pattern.

More than 53 years ago, Wallbridge and Clark, the grocers, moved from their Front Street stand round to Bridge Street. They are still the same quality store but the change has penetrated nevertheless. Those Ideal Stores, typical in their red and white costumes of their Main Street neighbors are the Wallbridge progeny, the response of an old house to the challenge of alien invaders.

People's and Kresge's bought old properties and made them new. Woolworth's are an old firm by comparison. And so we could go on following Mr. Geen through reminiscences that would relate the passing of 44 old names, more than a dozen of which sold to new interests. The others, numbering with them 12 clothing merchants, have just disappeared.

Progress Inside

We find its alterations not unlike any other Main Street we have examined except perhaps on a larger scale. The filling stations in their blatant colors have brought a carnival appearance that would not be tolerated were it not for that wide pavement running through Main Street and out over those bridges in an endless highway.

When we go inside we will find the progress of the stores has been just as great. Like the other towns we have written of and all we have visited, a new system has forced a new order of things. Albeit I did find one grocer who still has use for the old type scales with their attendant tonnage of brass weights. Except for that little touch of reality linking us with the past the transformation seemed complete. Even the old pool halls, which gave shelter to the men-about-town and their accompaniment of understudies playing "hooky" from school, have disappeared upstairs or gone underground.

Shopping on a Budget

It was hard to realize that of the 52 odd new names that had appeared on the signs of Main Street over 20 years more than a third of them were chain representatives. Like Peterborough, Belleville has a good percentage of its potential market on a budget so narrow that "shopping" is an art and cheapness the most important factor in any purchase whether it be at the grocer's, the ladies' shop or merely spent in going to the "movies."

Perhaps the highway, now the track of bus services operating between Toronto and Montreal, joining all the major cities of the province that encourage a tourist traffic, was a stimulus to the chain. Undoubtedly the potentialities of a wide, and in normal times a wealthy farming area, had considerable voice in their selection of Belleville; certainly more than the 13,700 inhabitants of the town.

Garagemen on Top

No one was prepared to deny that the Canadian Department Stores and its satellites had enlarged the shopping radius by many miles. The garagemen were strident witnesses that such was the case, and any opinion this trade has to offer on the markets cannot be taken lightly for in 1930 they did a larger aggregate business than any other retail group in town. With a total of $1,609,800 they bettered the next high—the food group—by approximately $100,000.

Those figures are indeed an interesting proof of the rural expansion of the local markets and it is almost a unique circumstance to find what may by some be termed a luxury approaching in volume of sales such an essential as the food retailers represent. In Peterborough, for example, the food group did $1,130,000 more business in this same year than the automotive dealers where trucks and heavy duty haulage services are put to far greater use than in the average town.

Unquestionably the chains knew something of this vast market, at any rate they have had little trouble drawing it in.

Chains Not Popular

What advantage this would be to any town is a matter of individual opinion. I found Belleville bitter toward the change. Human instinct forced the business men I talked with to admire their new Front Street for appearance's sake, but they despise those to whom must be ascribed the greater credit for the change. They are bitter toward their methods of doing business and bitter toward the whole merchandising system they must accept.

I found none who could imagine the results to Belleville if it had not marched with twentieth century ideas, none who could vision where the highways, the manufacturers, or the farming trade would have gone had they not given evidence of their ability to conform.

The business men in town were frank to state their grievances. Those grievances came from one of the most influential bodies in the community, the Chamber of Commerce. They were not the opinions of men bound by bias or distorted by envy.

One of these men asserted that he was sure he expressed the consensus of opinion of the Chamber of Commerce when he said: "They are a bad influence (the chains) and we would be better without them."

It was a common remark by those that I talked to that the town had not gone ahead in the ten years that the chains had collectively inhabited Main Street in anything like the manner it did when it was free of them. And yet I have since heard from a man who had no idea he would be quoted here, an observer of community developments who has made frequent visits to Belleville, that "in 1920 it was one of the most forlorn towns you could imagine. Today it is a real live, up-and-doing community." When I asked the reasons for the rebirth he replied "Times have changed, competition has grown keen."

Future of Youth

One prominent citizen of Belleville, a past-president of the Chamber of Commerce and the Rotary Club, summed up his criticism of the absentee stores by asserting: "You cannot, even the most casual stranger cannot, go out on to Front Street without realizing the terrible restrictions and restraints placed on the future of our youth. There seems to be no limit to the interests of the community which they can bring under their dominance."

Such a charge is not any easy one to prove or disprove. Its ramifications are throughout the whole community life and require an individual analysis of every success and failure for a quarter of a century; not just since the advent of the chain store but since the entry of machinery and science into the controllership of industry and the dictatorship of society.

Independents Dominant

The chief motive for the Belleville frame of mind can be traced, I think, to the food trade. A cursory examination of statistics shows the six national chains to have shared 55.2 per cent of the town's business in 1930, the remaining 44.8 per cent being divided among the 44 independents and voluntary units. Over the entire retail trade however, the out-of-town competition had to be satisfied with 26.7 per cent of a net total of $8,049,000, their share being divisible by 22.

A wholesaler advised me that almost every independent store for miles around was open only at the will of the wholesale houses who were breaking their own backs carrying the load. The four-corners-store, was the real unfortunate. He conceded the merchants in the residential areas a fighting chance.

Returning to the statistics it was discovered that 18 food stores had gone out of business in two decades. Of those four had opened and closed in a period of as many years. There have been seven new stores go in, two local stores expanded by three and, of course, the six chains.

In the other lines of retailing the charges of a "ruinous competition" are a little harder to follow. There has been an emphatic movement toward specialized lines of merchandising on Front Street. The hardware merchants I spoke to, while faced with chain competition, were not complaining, at least to strangers. It was admitted generally in business circles that the ladies' ready-to-wear and gents' furnishings were stimulated by the quick turn-over scheme of buying and were in a position to follow the trend of fashions through the rapid distribution systems. They were benefitting as well from the enlarged market, and the tourist trade, which had also been a boom in the lives of the restaurants, confectioners, theatres, garages and hotels.

Being equally as candid as the men I interviewed I must report finding five or six stores, three of them grocers, and not all on Main Street, that a sentence to hang couldn't coerce me to buy in. That, in spite of the examples of efficiency and the pressure of competition complained of.

I could not help but wonder what would be the ultimate effect of this "disintegrating business district" on the city as a whole. At the city hall I examined the assessment roll. Property assessment had increased from $5,349,527 in 1914 to $9,280,899 for the current year, the latter figure topping the boom years by almost a million dollars. The business and income tax assessments aggregated an increase of almost $500,000 above 1914.

It was later told me that the chain stores had brought a veritable real estate boom to Main Street. Some, People's and Kresge's stores, bought large holdings; others operated on long term leases at rentals decidedly favorable to the owners. Their competition however, was alleged to have offset the direct benefits. Since their coming the independents had been clamoring for rental reductions, and rock-bottom offers had to be met.

Mr. Stevens' Influence

All through many of my interviews I had the uncomfortable feeling that the man I was talking to had not actually considered the problem of twenty years change until inspired by the headlines on the Stevens Enquiry. At any rate from what I was told in relation to what I saw I could not be convinced that Belleville had any more well founded complaints against the absentee competition than had Lindsay or Peterborough, other than that very important one of community neglect by the "aliens."

A merchant waved a programme in front of me that had served an amateur theatrical under the auspices of the Y. M. C. A. There were 28 small advertisements blocked out in it and not a single one held a chain store name. The same was true of the High School year book he told me. I checked it and it was. In fact it was true of everything in the community that could be measured in a similar way, hospital work, church work, clubs, Chamber of Commerce, charity or sports.

While such complaints might not loom very large and important to the minds of figure-calculating executives, the criticism is a factor today.

The example cited may not be a happy one. After all, programmes, in which advertisers are bludgeoned to buy space, are at least a mild racket. But it happens to be the example cited by the critic.

Chain's Contribution

These great systems admit to working on a volume basis. Turnover at a fair margin is their life. And they admit in the present times to cutting that margin to get the turnover, supporting their action by pointing to the increase in production. Their service to Belleville and any other community is the best quality for the price and this stimulation of all forms of production.

One chain operator was quite free in admitting, when acquainted with the Belleville charges, that the movement of stock as much as the price he got for it was what counted in his business. He could not afford to carry heavy shelves. The times were stagnant and the people had to be induced to buy, which in part, accounted for the rather lavish advertising programmes, which, he explained, "in normal times might not be practical business."

Then this operator asked a question, I merely pass it on. "How much of the industrial production carried on in the last four years could have been accomplished if we weren't here?"

Certainly it is hard to imagine that men responsible for the tremendous growth of these great networks in our distribution system would go into Belleville or any community and buy property or assume long lease contracts if they were fly-by-night tradesmen depending on an underselling, quick profit-earning scheme. All my visits seem to return me to the same point, that they have actually trailed the more fundamental changes of the machines and science into Belleville.

They have gone to Main Street because the highways led them there, the motor cars were popular and the community could support them. I suppose too, the hordes that flocked to their big city stores when given the cars, were an inducement to expand. They could go to the people cheaper than the people could come to them, which in the end meant volume.

All these things, they are fundamentals in the scheme, should in time make their interest in Belleville more broadly local than it is. If they are to remain and have the volume, it certainly must.

War On Waste

BRITISH COLUMBIA has decided to cancel all provincial relief lists on Aug. 1 because of extensive relief racketeering. All relief recipients will be required to re-register after Aug. 1, under a new set of regulations designed to help eliminate some of the relief frauds, which are believed to have been extensive.

There were 109,862 persons on relief lists in British Columbia at April 30, 1934. In some other provinces, the total is even greater. The total cost of administering Canadian doles since 1930 is believed to be nearing $400,000,000. This indicates the great savings that may be made by elimination of relief rackets.

Since the Dominion Government apparently intends to suspend payments of relief for the summer on July 15, this may be an opportune time for provinces and municipalities generally to revise their systems and eliminate relief wastes. Re-registration is expected to cut relief costs in British Columbia. And it is believed to have done so in Manitoba, although the Winnipeg system is believed to prevent most frauds by efficient administration.

Circumstances arising within the next month would indicate that prompt action by provinces and municipalities is necessary to wage an aggressive war on relief waste, either by returning to the depot method, or by re-registration.

Foreign Exchange Markets

AFTER a brief period of weakness attributed to announcement that the Dominion Government may increase currency issues, the Canadian dollar returned to strength at New York in the week ended June 25. This strength has been persistent against both sterling and the American dollar.

Purchases of wheat, and exports of capital to Canada by Britain are still considered the major reasons for the strength of the Canadian dollar. Seasonal period of weakness of sterling against American dollars has now opened. Rumors persist, however, that another dollar devaluation is coming from Washington, and apparently tend to weaken the American currency. There has been no confirmation of the rumors from responsible quarters.

Gold bloc currencies are apparently resting comfortably. The German moratorium created no major disturbance because something of the kind has been anticipated for nearly a year.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	June 19	June 20	June 21	June 22	June 23	June 25
U. S. dollar, High	.5906	.98 11/16	.99 1/16	.99 11/16	.99¼	.99¼	.99
Low	.5906	.98 1/16	.98 1/16	.99 1/16	.99¼	.98¾	.98¾
1933 High	1.000	1.12	1.11¼	1.11¼	1.11¼	1.10¾	1.11
Low	1.000	1.11 1/16	1.10¾	1.10¾	1.10 1/16	1.10 1/16	1.10¾
U. K. pound	4.8665	4.97½	4.99½	5.01	4.99½	4.98	4.98
Argentina	.9648	.2454	.2433	.2443	.2423	.2339	.2396
Australia	4.8665	3.9603	3.9714	3.9884	3.9779	3.9639	3.9625
Austria	.1407	.1874	.1883	.1888	.1885	.1877	.1879
Belgium	.1392	.2304	.2317	.2325	.2319	.2312	.2314
Brazil	.1963	.0889	.0895	.0619	.0615	.0632	.0614
Czechoslovakia	.0296	.0410½	.0411¼	.0413¼	.0412½	.0410½	.0411½
Denmark	.2680	.2221	.2232	.2239	.2234	.2215	.2228
France	.0392	.0650½	.0654	.0656	.0654½	.0652½	.0652½
Germany	.2382	.3758	.3777	.3792	.3788	.3779	.3787
Greece	.013	.0931	.094	.095	.0941	.094	.094
Holland	.4020	.6688	.6723	.6742	.6731	.6705	.6712
Hungary	.1749	.2940	.2959	.2969	.2963	.2946	.2955
India	.3650	.3779	.3801	.3809	.3801	.3787	.3790
Italy	.0526	.0849	.0853	.0851½	.0847	.0843½	.0846
Japan	.4985	.2960	.2974	.3008	.2982	.2966	.2965
Jugoslavia	.1929	.0224½	.0226	.0228	.0226½	.0225½	.0226
New Zealand	4.8665	3.9760	3.9373	4.0043	3.9938	3.9797	3.9783
Norway	.2630	.2500	.2508	.2518	.2512	.2503	.2506
Poland	.1122	.1872	.1881	.1887	.1883	.1876	.1879
South Africa	4.8666	4.9682	4.9622	5.0035	4.9904	4.9728	4.9710
Spain	.1929	.1349	.1356	.1361	.1357½	.1352	.1354½
Sweden	.2680	.2565	.2573	.2583	.2577	.2568	.2570
Switzerland	.1930	.3203	.3222	.3222	.3225	.3214	.3218
Hong Kong	.5422	.3610	.3633	.3635	.3642	.3633	.3692

Ontario Building 90 Per Cent Rented

Ontario Building, Montreal, was reported 90 per cent rented on May 31 with gross annual earnings on this basis estimated at $74,229. Annual expenses are estimated at $35,000, leaving $39,229 available for bond interest which at the new rate of 3½ per cent amounts to $28,000 on the $800,000 issue outstanding. As a result of an arrangement with bondholders last March the original 6½ per cent interest rate was reduced to 3½ per cent.

Rental arrears at May 31 were $4,783 as against $5,445 for the previous month. Of $8,186 due in total rent in May $5,774 was reported collected. Total tax arrears are reported as at $17,916 of which $12,516 is for 1933 and $5,400 for 1932.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Positions Wanted

TWO BROTHERS WITH SUPERIOR Education, Business experience, and substantial capital desire positions with progressive company. If satisfactory we will purchase interest of an executive member retiring. Our references and past business record is the very best. Box No. 8, The Financial Post, Toronto, Ont.

Manufacturers

DO YOU KNOW YOUR COSTS? DO you know your profit or loss monthly? Is every department operating at greatest possible efficiency? Let practical Cost Engineer with experience in the problems of all departments of many lines of business show you how these results can be secured (in most cases without additional expense). Highest references. Write Box 10, Financial Post, Toronto, for interview.

WANTED

Used Wide Carriage Typewriter in First-Class condition. Must be 18" or larger. Give make and serial number to Box 304, The Financial Post, Toronto.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of July, 1934, to shareholders of record of the 20th June, 1934.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 17th May, 1934.

The Whittall Can Company, Limited

Dividend Notice

Notice is hereby given that a Dividend of one and five-eighths per cent (1⅝%), being at the rate of six and one-half per cent (6½%) per annum, on the Cumulative (Redeemable) Preferred Stock of the Company, has been declared, payable July 3rd, 1934, to shareholders of record June 15th, 1934.

By order of the Board.

D. H. MACFARLANE, Secretary-Treasurer.

Montreal, June 13th, 1934.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Three per cent, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 2nd July, 1934, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE, Manager.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable July 3rd, 1934, to Shareholders of record as at close of business June 15th, 1934.

W. S. BARBER, Secretary-Treasurer.

DIVIDEND NUMBER 255
EXTRA DIVIDEND NUMBER 14

Hollinger Consolidated Gold Mines Limited

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared on the Capital Stock of the Company, payable on the 16th day of July, 1934, to shareholders of record at the close of business on the 29th day of June, 1934.

Dated the 22nd day of June, 1934.

I. McIVOR, Assistant-Treasurer.

The Canadian Light and Power Company

Notice is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending June 30th, payable July 16th, to shareholders of record June 30th, 1934.

By Order of the Board,

JAMES WILSON, Secretary.

Montreal, June 22nd, 1934.

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (50c) per share has been declared on the outstanding common shares of the Company for the quarter ending June 30th, payable July 16th, to shareholders of record June 27th, 1934.

By Order of the Board,

JAMES WILSON, Secretary-Treasurer.

Montreal, June 22nd, 1934.

Wheat

From Our Grain Correspondent

Wheat Prices Steady

WINNIPEG.—Wheat prices during the past week have registered no important change in the wheat situation. The Canadian supply is being fairly tightly held at prevailing prices, in the evident expectation that European demand will improve during the remainder of the calendar year, while European buyers continue business on a hand to mouth basis, and British millers to fill their requirements largely from cheap Argentine wheat.

Some tentative estimates of the European crop released in the Liverpool are rather surprisingly large so far as Western Europe is concerned, although conditions in Danubian countries, and especially in Roumania are revealed as being extremely poor, almost calamitous, in fact. The estimate is ventured that Russia is to have 180,000,000 bushels less than last year, and also much reduced quantities of rye and barley, but the impossibility of accurate guesses at the Canadian crop at this season suggests the impossibility of yet getting close to the Russian figures.

* * *

Early Harvest Seen

THE fact that harvest is commencing early in Southern districts owing to dry weather, indicates serious possibility of shortage. The approach of a new delivery month creates speculation as to the quantities which will be delivered through the clearing house at the beginning of July. Quantities are expected to be smaller than in May, as it is believed that the government agency has transferred most of its commitments to later months.

Presumably deliveries will be confined to No. two Northern, as one Northern has been commanding a slight premium over the July basis because exporters want to be sure of getting the higher grade. Definite passing of the amendment to the Canada Grain Act excluding garnet wheat from two Northern commencing in 1935 is expected to keep that grade in which garnet will still be included up to that time, at a comparative discount during the coming crop year, as holders will desire to get out of the way as much as possible of the wheat graded on the old basis.

* * *

Southern Hemisphere Drought

ALTHOUGH there has been some recent improvement in moisture conditions in both Australia and the Argentine there is still sufficient moisture deficiency in each country to cause some uneasiness, but this has caused little tendency for Argentine prices to strengthen, in view of the large quantities of wheat in that country still to be disposed of. Although the London wheat agreement quota has already been exceeded by some 15,000,000 bushels, the Argentine will be able to ship in fairly large quantities until the end of the calendar year. Australia, on the contrary, is not inclined to press sales, as reduced acreage, and comparatively poor prospects create no fear of a wheat surplus there, especially as the outlook for sale of Australian wheat in England is improved by the outlook for reduced crops of English and European soft wheat this year.

* * *

Good Market for Barley

EARLY growers who are favored with crops of malting grades should do well this year. Substantial premiums for malting barley are now available, and the world supply threatens to be short, with Britain unable to secure supplies from either Roumania or California.

* * *

Bullish Market Factors

PROGRESS of the United States corn crop in coming weeks may have an important effect on world cereal prices. With production of feed grains in Europe much reduced any inability of United States to export corn might ultimately be reflected, first in rye and then in wheat prices.

Deliveries of wheat to country elevators in Western Canada continue to be surprisingly large, considering the shortness of last year's crop, and have lately reached half a million bushels a day.

DIVIDEND NOTICES

General Trust of Canada

Dividend Number Twenty-One

A dividend of one and one-half per cent, being at the rate of six per cent per annum, for the quarter ending June 30th, 1934, on the preference stock of the company, has been declared, payable on July 3rd, 1934, to shareholders of record on June 27th, 1934, at noon.

RENE MORIN, General Manager.

Montreal, June 22nd, 1934.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 28

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending June 30th, 1934, payable July 16th, 1934, to shareholders of record at the close of business June 30th, 1934.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, June 22nd, 1934.

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 36

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending June 30th, 1934, payable July 16th, 1934, to shareholders of record at the close of business, June 30th, 1934.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, June 22nd, 1934.

Grain and Milling in Canada

OTTAWA PLACES OFFICIAL BAN ON FLOUR IMPORTS

Australia Asked to Stop Shipments of Winter Wheat

AFFECTS ONTARIO

Crop Shortage Enabled Empire Product to Undersell Local Product—U. K. Sends Flour

From Our Own Correspondent

OTTAWA—There will be no further importation of Australian flour or wheat into Canada according to statements made in the house a few days ago by Hon. H. H. Stevens, Minister of Trade and Commerce. This statement was made in answer to questions put before the House by F. G. Sanderson (South Perth) as to whether the wheat and flour coming into Canada from Australia is subsidized by the Australian Government and what the Canadian Government intended to do about it.

Mr. Stevens stated that he had been informed by cable from the Canadian Trade Commissioner in Australia that there was no bounty in force on wheat or flour. Under the Canadian-Australian trade agreement provision was made whereby if either country was shipping a product to the other country to the detriment of their home market, three months notice could be given the exporter that if the situation was not remedied the product would automatically come under the general tariff.

Cordial Spirit Prevails

Acting on this agreement, Mr. Stevens stated, "We have given notice and the importation of Australian flour has been stopped. Australia and the Australian Government and officials have co-operated with us in the most cordial spirit in this and other matters. We have had no trouble and further importations of Australian wheat will not occur."

English Flour Advertised

For a long time quantities of soft winter wheat from Australia have been imported at Canada's Pacific ports for use on the coast but it is only within recent weeks that this product has found its way in any quantity into eastern Canada. Recently the trade journal, Northwestern Miller, published an advertisement from Spillers, Ltd., of London, England, advertising facilities for exporting "English milled soft winter wheat flour to Atlantic or Pacific Canadian ports." The wheat used is, of course, soft Australian wheat and the reason for English flour being imported rather than direct importations from Australia is that to meet the current situation in Ontario, quick delivery was essential even though cost of the product was thereby raised. It is stated that it would probably be late in August before direct orders to Australia could be filled in Canada.

Think Demand Limited

A careful analysis of the situation by A. H. Bailey, Canadian manager of the Northwestern Miller indicates that even if the Ontario winter wheat crop is only 50 per cent of normal, there is ample wheat in the province to meet eastern Canada's flour requirements. What has happened though, in the opinion of this observer is that fear of scarcity has caused prices to increase to such a point where importations from Empire sources was possible. Apart from the embargo, Mr. Bailey did not feel that Australian wheat would come in in any quantity over and above what was necessary to bring the price of the Canadian product more into line with world situation.

The Northwestern Miller analysis reveals that roughly 4,000,000 bushels of soft winter wheat are consumed by the country mills of Ontario in making flour each year. This compares with a recent average outturn in Ontario of roughly 15,000,000 bushels of soft winter wheat per annum. On the basis of the last government estimate, the 1934 crop will be roughly 7,000,000 bushels which would, of course, amply cover milling requirements but would probably be insufficient to meet demand for cereal foods. factories, poultry feed manufacturers and farmers themselves. One result of the high price, of course, has been to release considerable wheat from the farmers' hands.

Price Advance Checked

The comment of the Northwestern Miller in respect of the two commodities is as follows:

"It was a rather spectacular advance in the market for our own soft winter wheat flour that brought the Australian article into the Canadian picture. Quite recently over $1 bu. was paid for the Ontario wheat delivered at milling points in this province, an advance of more than 40c. bu. over the low of this crop year. At the same time flour from this wheat showed an advance of over $2 bbl. Actually the regular straight run from country mills had reached a basis of $5 bbl. on a Montreal freight basis when the first offers of Australians were made by English sellers at around $3.40 to $3.60 bbl. c.i.f. Montreal. With landing and other charges added there was still a difference of $1 more between the two prices. If the price of $3.10, which was quoted and accepted for flour direct from Australia, is taken, the difference is that much greater."

"CANADA DRY"

Ginger Ale, Incorporated
A Delaware Corporation

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held June 19, 1934, a regular quarterly dividend of twenty-five cents ($.25) per share was declared, payable July 16, 1934, to stockholders of record at the close of business, July 2, 1934.

R. W. SNOW, *Secretary*

General Crop Outlook Continues To Improve

June Rains Came Too Late to Save Some Sections, However — Hopes for Good Financial Return Now Run High

From Our Own Correspondent

WINNIPEG.—From Winnipeg to the foothills of the Rocky Mountains, Western Canada is at the moment a sea of green. Almost steadily since the beginning of June the outlook for the crop has continued to improve. The tremendous change wrought in the prospects for western Canada can only be realized when the dark outlook is recalled which prevailed at the end of May.

The improvement of course has not been uniform. Although rainfall over the country as a whole has been generous, there are districts where it has been comparatively light, and where crop prospects are accordingly less than average. There are also areas where the land, after drought conditions beginning in 1929 and lasting more or less continuously since then, drifted too badly to be restored to normal conditions by a few weeks of rainfall, and where germination and growth have been uneven and scanty.

Mature Too Early

Then, too, in a considerable area of southern Manitoba and southern Saskatchewan the hot weather of May produced a prematurity in some of the early sown crops, so that grain seems likely to head out early on short straw, and to have little chance of giving substantial yield. Allowance must also be made for fields where grasshoppers totally destroyed the growing crop, and some where cut-worm damage was extensive. And the fact that wheat acreage in Western Canada is from 8 to 10 per cent less than last year is to be remembered.

Past experience has shown, however, that at the end of June crop possibilities instead of crop prospects should be discussed. A few hot July days may disclose weakness hitherto unsuspected in the growing crop. Drying winds may reveal the fact that soil reserves of moisture are less in many places than had been supposed, and inadequate to carry the crop long without deterioration. Ripening weather that comes too soon may give the crop an inadequate period for growth, and thus cut down yield, or a growing period unduly prolonged may expose the crop to dangers of rust or frost.

Grasshopper Puzzle

The grasshopper situation has most of the experts puzzled. These insects were hatched in myriads before the end of May, but except for fairly limited districts had not attained sufficient growth before the first of June to do any great amount of damage to growing crops. During this month they have been largely dormant, neither eating nor growing to any great extent. Hot, dry weather would bring them into renewed activity, but no one has any idea to what extent the long period of cool and wet weather has killed them off, or enabled disease and parasitic growth to catch up with them.

Alberta continues to have much the best crop outlook of the western provinces. In much of Saskatchewan present conditions are all that could be asked for at this time of year, but much of the south country cannot fully recover this year from the long drought. Much of Manitoba is in fine shape, with smaller areas only fair, and part of the extreme southwest still with little chance of producing cash crops, although the outlook for feed is improving.

If prices hold at present levels, and much more so if they should increase, there are excellent grounds for hoping for a substantial improvement in the financial position of western agriculture during the current crop year.

U. S. WHEAT YIELD PROSPECTS GAIN BY 50,000,000 BU.

Price Weakness Develops at Chicago — Processing Tax Action

From Our Own Correspondent

WINNIPEG.—The spread between Winnipeg and Chicago prices, which a few weeks ago was fairly steady at 20 cents a bushel premium for the latter, has lately been running at a difference of 14 or 15 cents.

There is of course no reason why prices in the two markets should take parallel courses, since United States prices are definitely off the export level, and are unlikely to be on that level for many months to come. Their only essential connection with world levels is provided by the possibility of importing grain from other countries should the price spread become too great, and at one time it looked as if the price differential between Winnipeg and Chicago was more likely to increase than to decrease.

Crop Improvement

One reason for the recent comparative weakness of the United States market has been some improvement in the prospective outturn of this year's wheat crop. At one time it seemed likely to fall below 500,000,000 bushels, which meant that the country would have to call on its accumulated reserves to the extent of 150,000,000 bushels during the coming year. Now estimates are that the yield may be 50,000,000 bushels or more in excess of that quantity, for although rains which broke the drought came very late, they still enabled some of the winter wheat crop to fill better than had been expected, and created the likelihood of some improvement in the spring wheat states.

Early maturity of the crop in the far south which brought wheat on to the market in quantity earlier than usual also caused weakness, and grains that in former years would have been directed south to Gulf ports for export have been directed towards interior markets such as Kansas City and Chicago.

Processing Tax Action

Then with wheat prices within the country subjected only to internal forces affecting supply and demand there is a growing realization of the fact that the processing tax of 30 cents a bushel on wheat is an effective check on price. With 95 cent wheat the consumer is paying an effective rate of $1.25 a bushel for his flour, Chicago basis, and in great consuming areas like that adjacent to New York, to which freight rates from the interior are comparatively high, the effective cost amounts to $1.50 a bushel, quite high enough in relation to other prices to place a check on consumption.

Continuation of the processing tax on wheat has been doubted in some quarters, inasmuch as its declared objective was to restore a parity between wheat and other prices, and even at present levels that would appear to be exceeded. But the treasury needs the money to make the payments of 28 cents a bushel on their normal production for domestic needs, which is to be paid to farmers who signed acreage reduction contracts.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 18

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending June 30th, 1934, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on July 3rd, 1934, to shareholders of record on the register at the close of business on the 23rd day of June, 1934.

By order of the Board.

M. MAYNE KENNEDY, Secretary.

Toronto, Ontario, June 16th, 1934.

SASK. CONDITIONS INDICATE YIELD OF 160 MILLION BU.

End of June Marks Peak of 1934 Condition

From Our Own Correspondent

REGINA. — Saskatchewan crops enter July at the peak of their 1934 condition. Whatever happens in July will probably be of a damaging nature. End of June condition will allow of an approximate 160,000,000 bushel crop for wheat with coarse grains in like proportion. Wheat harvested in 1933 was 123,000,000 bushels; 1932, 211,000,000; 1931, 132,466,000 and 1930, 206,700,000 bushels.

The south-eastern portion of the province is the worst and looks like a failure for wheat. Approximately 1,000,000 acres is affected of which about 750,000 is wheat. Rain came too late. Stalks are about 6½ inches, so even with perfect conditions from now on this part of the crop is a loss.

Results Spotty

There is a shortage of feed in the south-eastern region which may or may not become acute.

The general drouth area, comprising the south-west and central regions has shown good improvement over 1933 but is spotty. It will not produce a first class crop. Grasshoppers are still the principal menace over the entire crop area and warmer weather, expected early in July will show just how numerous they are. July is also the hail month.

In the south-west and central districts some re-seeding has taken place with early maturing wheat, but flax and feed, with feed predominating, have been planted.

Northern Crops Good

The northern half of the province is in quite good shape but no district is, generally speaking, above the average. The north-east district which had a fine crop in 1933 will repeat.

The district west of Saskatoon, which suffered from excessive heat in late July and August last year has come through much better so far this summer although somewhat patchy.

EUROPEAN CROP WILL BE SMALLER IN ALL COUNTRIES

World Outlook Improved as European Surplus Threatened

From Our Own Correspondent

WINNIPEG.—Reduction of grain yields in Europe is responsible for the present improved outlook for wheat. In all of Europe, outside of Spain, which promises to have a much larger crop than last year, production of wheat will be substantially less than during recent years. The Spanish situation is not important from the standpoint of international markets, for Spain can hardly afford to export wheat, and she can undoubtedly make use of her surplus, even though in years of deficiency she gets along with practically no imports.

In all the rest of Europe it is doubtful if any country will succeed in raising enough food and feed for its own requirements. The greatest deficiency threatens to take place in the Danubian countries, and more particularly in Roumania. These countries will apparently have none of the usual supplies of wheat, corn and barley to send to the rest of Europe, but their food importing ability is small, and it is not likely that they will draw on the rest of the world for any large supplies.

Italy Will Import

Italy seems likely to have to import considerable quantities of grain, but France, although her crop is likely to be short, may be saved from that necessity by her large carry-over. Calculations with respect to Germany are difficult to make until the fate of the potato crop is known. Germany has been subsisting on potatoes to an amazing extent that would perhaps be quite impracticable if her population were fully employed and felt more keenly the need of a substantial diet. Germany's ability to finance imports under the new exchange conditions which have recently developed is a matter of some doubt.

So far the principal damage to European crops seems to have been the result of long continued drought. Should the drought be relieved by extensive rains just at harvest time it might impair yields still further, for one of the dangers most feared as a rule in Europe is that of a harvest season that is too wet, and interferes with proper ripening of the grain.

Draw on Surplus

The world is about to start a new crop year with a carry-over of wheat which is practically the same as that of last year, for reductions in yield on the North American continent were made up for by heavy European yields. The world is accordingly still plentifully supplied with wheat, but the reasonable expectation now is that reduced world yields this year will result in drawing very largely on the surplus stocks which have weighed heavily on the market since the harvest of 1928. It is quite possible that a year from now the world will be approaching the end of another crop year with world supplies of wheat down only to a reasonable year-end carry-over, or even below that mark. Then there would be a condition in which wheat prices would be highly susceptible to fluctuations in yield.

Weather Important

Within a short time, as the harvesting of this year's crops is completed, no matter how short they are, there will be a condition in which world supplies of grain are quite plentiful, but from which they will daily decline as they are absorbed by daily consumption. Within a year they are likely to be smaller by an important extent, and there is a possibilty of them being very much smaller. Northern hemisphere weather from now until harvest time will be an important factor, and so also will be the outcome of southern hemisphere crops, which may be reasonably expected to fall below last year's level.

The low prices which have prevailed during recent years for wheat have been due to two quite separate sets of factors, those on the one hand arising out of trade restrictions of all kinds and basic price movements due to the depression and to post-war nationalism. And on the other hand there has been the influence of a large world surplus of wheat. The latter is likely to disappear within a reasonable time, but the disappearance of other trade difficulties, and the restoration of conditions permitting international trade on a large scale are considered necessary before world wheat trade can be completely restored to health.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, June 22	57,516,424	61,572,407	54,345,768
Country elevators, June 15	82,776,747	83,357,464	85,504,103
Total, all points, June 15	197,338,037	200,366,023	192,128,790
World Shipments, incl. flour, June 11:			
North American	3,155,000	3,256,000	4,976,000
Argentine	5,261,000	2,409,000	3,200,000
Black Sea*	......	......	......
Australian	1,320,000	1,410,000	1,344,000
Total, World	10,528,000	7,779,000	9,680,000
Country Marketings and Exports:†			
Canadian exports, June 22	2,585,609	3,858,973	2,564,483
Cum. to June 22 (47 weeks)	139,981,789	136,396,180	209,592,939
Prairie marketings, June 15	2,932,593	3,714,036	5,274,680
Cum. to June 15 (46 weeks)	211,685,529	208,752,936	341,890,360
Country deliveries, June 22‡	2,817,000	2,568,000	5,013,000
Country loadings, June 22‡	5,434,325	3,671,720	8,634,710

*Includes South Russia †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to June 26, 1934

Crop year from Aug. 1, 1933 High	Low		Open June 20	High for week	Low for week	Close June 26
		Wheat				
.85⅛	.62⅛	July	.77⅛	.77⅜	.75⅜	.76⅛
.87⅛	.68⅛	Oct.	.79⅜	.79⅜	.77⅜	.78⅛
.83	.78⅜	Dec.	.80⅜	.81	.78⅜	.79⅜
		Oats				
.40⅛	.30⅜	July	.39⅛	.39⅜	.37⅛	.37⅜
.41⅛	.32⅛	Oct.	.38⅛	.38⅛	.36⅜	.36⅜
.38⅜	.35⅜	Dec.	.33⅛	.38	.36⅜	.36⅜
		Barley				
.46⅛	.35	July	.44⅜	.46	.44	.44⅛
.48⅜	.37⅛	Oct.	.45⅜	.46⅜	.44⅞	.45⅛
.47	.45⅛	Dec.	..	.46⅜	.45⅜	.45⅜
		Flax				
1.74	1.39⅛	July	1.62	1.62⅛	1.58⅛	1.59⅛
1.75	1.40	Oct.	1.65	1.65	1.61⅛	1.62⅛
1.65	1.60	Dec.	1.63⅜	1.64⅜	1.60⅛	.161⅛
		Rye				
.57⅛	.41⅜	July	.54⅜	.55⅜	.53⅛	.54⅜
.59⅜	.43⅛	Oct.	.57⅛	.57⅜	.55⅜	.56⅛
.59⅛	.56⅛	Dec.	.58⅜	.58⅜	.56⅜	.57⅛

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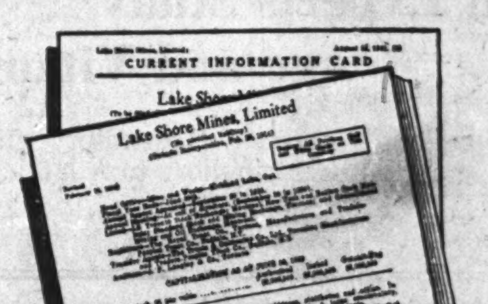

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Current Events in Banking World

Bank Chat on Current Topics

Bilingual Money

PROPOSAL to make notes of the Bank of Canada bilingual has raised a great stir in the House of Commons, Ottawa. Politically, the proposal had more explosive possibilities than the economically more important questions of whether there should be a central bank at all and whether it should be publicly or privately owned.

Advocates of bilingual notes are dissatisfied with the Government's proposal to make them "available as required" in either English or in French. We now have bilingual postage stamps.

Non-partisans will be satisfied as long as the proposed currency is printed so that a one-dollar note can be distinguished from a two. A one will still be a one, and a two a two, in any language.

* * *

Just Another Complaint

THREE Villages Building Association of Rock Island, Que., says: "We believe that business is on the up grade but that the same is retarded a good deal by our present banking system. The banks do not try to collect their money when times are good, but now that they cannot get it easily they are after it. Many concerns have been harassed to the point of bankruptcy by the unreasonable demands of some short-sighted bank managers, and individuals who are unfortunate enough to have notes with the banks have been treated quite harshly."

It would probably be difficult to argue that we would not all be better off if banks would refuse to lend in good times, and would lend, even to risky borrowers in bad times. If this were done, there might be no good and bad times.

Bankers recognize that it would be good business if boom time credit could be restricted. But the borrower can always go to someone else, and if he wants to borrow and has the security, it is pretty difficult for his banker to stop him.

And until the banking millennium comes, and human nature is controllable, there will always be those who borrow too much in good times, and who find it hard to pay in bad times. Perhaps the Bank of Canada can fix it. And perhaps not.

* * *

Central Bank Officials

SIR EDWARD PEACOCK is apparently still in the preliminary running for the Governorship of the Bank of Canada. One of Rt. Hon. R. B. Bennett's objections to a proposed amendment to the act creating the bank, restricting the office to Canadian nationals, was that it would debar Sir Edward.

It has been felt for some time that a Bank of England man may be invited to be the first Governor. Sir Edward was the first Canadian to become a Bank of England director.

The Deputy Governor's job may go to a Canadian, it is thought. The name of Professor C. A. Curtis of Queen's University has been suggested. It is also claimed that W. C. Clark, Deputy Minister of Finance, and a former Queen's don, could have this post. The post of Assistant Deputy Governor need not necessarily be filled at the outset.

There are also to be seven directors. The act provides that at the outset these may be:

W. C. Clark, Deputy Minister of Finance.

Laurent Beaudry, Counsellor of the Department of External Affairs.

B. J. Roberts, Comptroller of the Government Guarantee Branch.

R. Watson Sellar, Comptroller of the Treasury.

C. E. Campbell, Comptroller of the Currency.

W. C. Ronson, Director of the Estimates.

R. B. Viets, Solicitor of the Treasury.

The Deputy Minister of Finance is to be an ex officio member of the permanent board, in addition to the seven directors, under the act. But he may not vote at meetings.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

R. M. HOPE, formerly manager at Perth, Ont., to be manager at Pembroke, Ont.

JOHN ROSS to be manager at Perth, Ont.

B. HOWARD to be accountant, and J. H. RATTEE to be assistant accountant at Montreal branch.

Bank of Montreal announces the following staff changes:

F. W. G. C. CLARK, formerly manager at Bay St., Toronto, to be manager Carrall and Hastings Sts. branch, Vancouver.

S. E. JAMES, formerly manager Carrall and Hastings Sts., Vancouver, to be manager at Oshawa, Ont.

R. S. MORPHY, formerly manager at Oshawa, Ont., to be manager at City Hall branch, London, Ont.

J. R. KIRKPATRICK, formerly manager at City Hall, London, to be manager at Sherbrooke, Que.

H. D. SUCKLING, formerly manager at Sherbrooke, to be manager at St. John's, Nfld.

A. A. WERLICK, formerly managere at St. John's, Nfld., to be manager at Bay St., Toronto.

Open Four Branches and Close Only One

Four branch bank openings are reported in the Canadian bank directory for May. Bank of Montreal, as usual, is opening its branches at Banff and Lake Louise, Alta., two famous beauty spots of the Rocky Mountains, for the summer season. The branch at Banff was opened on June 13, and at Lake Louise on June 21.

Imperial Bank of Canada opened a sub-branch at Red Lake, Ont., on June 1. The Dominion Bank opened its summer branch at Centre Island, Toronto, in May. One closing is reported, Bank of Montreal having given up its branch at Wolfe and St. Catherine Street, Montreal.

Directors Large Holders Of Dominion Bank Shares

C. A. Bogert, Chairman of Board, and A. W. Austin, Former Chairman, Have Largest Holdings — Toronto Names Dominate

Largest individual share holdings in The Dominion Bank are those of A. W. Austin, former chairman of the board, with 1,400, and C. A. Bogert, the present chairman, with 1,050 shares, according to a list of holders of 100 shares or more compiled by The Financial Post.

Sir John Aird, president of The Canadian Bank of Commerce, is listed as a holder of 100 shares in The Dominion Bank.

Toronto names dominate the list of larger shareholdings. The Toronto General Trusts Corp. is a large holder for estates and trusts.

Directors of the bank are substantial holders. But the general manager, Dudley Dawson, and the assistant general manager, Robert Rae, are not among those holding as many as 100 shares.

Directors' Holdings

Directors holding 100 shares or more are as follows: C. H. Carlisle, president, 113 shares; R. Y. Eaton, 119 shares; A. C. Matthews, 350; R. S. McLaughlin, 116; W. W. Near, 233; F. Gordon Osler, 558; J. Allan Ross, 171; H. H. Williams, 800; E. W. Hamber 259; J. M. Mackie, 120.

List of holders of 100 or more shares follows:

THE DOMINION BANK (70,000 Shares)

Sir John Aird, Toronto	100
W. J. Aitchison, Hamilton	100
A. H. Allin, Whitby	100
Fred Armstrong, Toronto	116
Armstrong and Cook, Toronto	175
Jesse Ashbridge, Toronto	154
A. C. Ashforth, in trust, Toronto	600
A. W. Austin, Toronto	1,400
Mrs. E. C. R. Blackwood, Toronto	150
Clarence A. Bogert, Toronto	1,050
British American Assurance Co., Toronto	150
F. D. Brown, Toronto	210
Edward Burns, Toronto	137
Mrs. Josephine S. E. Burnside and James S. McCaughey, Toronto	199
Mrs. Josephine S. E. Burnside, Toronto	299
Canada Life Assurance Co., Toronto	500
Mrs. Margaret G. Greene, Toronto	494
C. H. Carlisle, Toronto	113
Estate James Carruthers, Montreal	700
Cartwright, Land and Investment Co. Ltd., Port Perry, Ont.	150
W. H. Cawthra, Toronto	153
Colonial Investments Ltd., Chatham, Ont.	100
Humphrey A. Colquhoun, Waubaushene, Ont.	100
Confederation Life Association	700
Continental Life Insurance Co.	100
W. C. Crowther, Toronto	137
Edward Dickenson, Hamilton	100
Mrs. A. N. Dixon, Toronto	116
Dominion-Scottish Investment Ltd., Toronto	100
F. W. Dufford, Toronto	163
A. E. Dyment, Toronto	100
R. Y. Eaton, Toronto	119
Eaton Life Assurance Co., Toronto	200
Miss N. L. Farthing, Aylmer, Ont.	150
J. Fleury's Sons, Aurora, Ont.	105
W. A. Finlay and J. K. Patterson, Toronto	200
Mrs. F. Fowke, Oshawa	175
Mrs. Margaret Gooderham, Toronto	154
Great West Life Assurance Co.	500
Guarantee Co. of North America, Montreal	116
E. W. Hamber, Vancouver	259
John Hamilton, Quebec City	200
Mrs. M. Harris, Hamilton	100
F. W. Heath, Edmonton	118
Mrs. C. M. Heintzman, Toronto	119
Heintzman estate, Toronto	116
Ipswich Investments Ltd., Toronto	175
Imperial Life Assurance Co., Toronto	500
Estate J. Gordon Jones	133
Mrs. A. L. Kenny, Winnipeg	100
Estate G. W. Killy, Toronto	232
Miss M. C. Laidlaw, Toronto	100
Ann Laidlaw, Toronto	100
Estate Mrs. M. J. Kyle, Toronto	140
Lang Tanning Co. Ltd., Kitchener	100
W. H. Leonard, Port Perry	105
Levin Investment Corporation, Montreal	120
London and Western Trust Co., Toronto	369
London and Western Trust Co., in trust	400
J. M. Mackie, Montreal	120
Manufacturers Life Insurance Co.	227
Seth Marshall, Duluth	150
A. C. Matthews, Toronto	350
Estate E. L. Matthews, Toronto	663
Toronto General Trust Co. in trust, Toronto	172
Thomas Meredith, Toronto	175
A. G. Mitchell, Trent River, Ont.	108
Mrs. E. Miles, Toronto	100
Mills Bros., Ltd., Hamilton	100
Montreal Trust Co., in trust	140
Montreal Trust Co., in trust,	116
Estate J. McClellan, Bowmanville, Ont.	100
Mutual Life Assurance Co.	100
J. W. Murray, Belleville	105
R. S. McLaughlin, Oshawa	116
Mrs. A. L. McLaughlin, Oshawa	151
W. W. Near, Toronto	233
James Nicholson, Toronto	200
North American Life Assurance Co., Toronto	1,100
Toronto General Trust Co., in trust	408
Osler and Hammond, Toronto	559
Osler and Hammond, Toronto	121
F. G. Osler, Toronto	558
Canada Permanent Trust Co., in trust, Halifax	172
Major E. F. Osler, Bronte, Ont.	318
National Trust Co., in trust, Toronto	100
N. McL. Paterson, Fort William	148
Estate S. R. Parsons, Toronto	100
Prudent Securities, Ltd., Penetanguishene, Ont.	123
J. G. Ramsey, Toronto	100
Campbell Reaves, Toronto	126
Campbell Reaves, Toronto	200
H. M. Ripstein, Westmount	100
J. A. Ross, Toronto	171
Royal Trust Co., in trust, Montreal	122
Sigmund Samuel, Toronto	100
Hon. H. C. Scholfield, Toronto	123
Second Canadian General Investment Trust Ltd., Toronto	118
Mrs. M. L. Shannon, Prescott	155
Royal Trust Co., in trust	119
J. N. Shenstone and E. C. Fox, trustees, Toronto	125
Robert Smith, Toronto	112
J. D. Storie, Oshawa	119
H. T. Swart, Winnipeg	116
Toronto General Trust Co., in trust	102
Toronto General Trust Co., in trust, Toronto	752
Toronto General Trust Co., in trust, Toronto	305
Toronto General Trust Co., in trust, Toronto	305
Toronto General Trust Co., in trust, Toronto	150
Toronto General Trust Co., in trust, Toronto	150
Charles C. Van Norman, Keswick, Ont.	140
Mrs. E. M. B. Walsh, Toronto	100
Mrs. M. W. Warfield, Toronto	150
M. J. Weldon, Uxbridge, Ont.	100
Western Assurance Co., Toronto	125
J. A. Williamson, Toronto	112
H. H. Williams, Toronto	800
William Wrigley Jr., Co., Ltd., Toronto	300
Toronto General Trust Co., in trust, Toronto	100
Woodlands Investments Ltd., Toronto	457

3 SHORT BILLS TO ALTER ISSUES DOMINION NOTES

Repeal Finance Act, 1915 Statute and Dominion Notes Act

Three bills introduced into the House of Commons, Ottawa, on June 19, to revise the system of the issue of Dominion notes, probably make a record for brevity. There are just two sections to each of the bills, yet they provide for a repeal of the Finance Act, the 1915 authority concerning Dominion note issues and the Dominion Notes Act.

The bill to repeal the Finance Act was passed June 20, and merely states that the act is "repealed." The repeal is to become effective on a date to be fixed by proclamation in the Canada Gazette.

Another short bill, also passed June 20, repealed chapter 4 of the statutes of 1915 concerning certain issues of Dominion Notes, and is also to come into force by proclamation through the Canada Gazette. This 1915 statute authorizes issues of $26,000,000 of Dominion notes, secured chiefly by railway debentures.

Revise Notes Act

The bill to revise the Dominion Notes Act is in two sections. The first section revises the Act so that the Minister of Finance must hold, as security for redemption of Dominion Notes up to $120,000,000, at least 25 per cent of the amount in gold. Above $120,000,000, the Minister must hold gold equal to such excess circulation.

The Minister is also authorized, as additional security for notes, to hold silver equal to the amount to be purchased by Canada under the 1933 London silver agreement. This amounts to 1,671,802 ounces of Canadian-mined silver in each of 1934, 1935, 1936 and 1937.

Second section of the amending statute provides that the Dominion Notes Act, 1927, shall be repealed, the date to be fixed by proclamation in the Canada Gazette.

Weekly Bank Clearings

	June 21 1934 $	Change yr. ago %	June 14 1934 $
Halifax	$ 1,825,720	— 9.5	2,231,759
Saint John	1,596,023	+ 3.5	1,619,229
Moncton	674,766	+ 9.4	679,528
Sherbrooke	650,403	+14.8	607,413
Quebec	3,958,687	+ 0.9	4,055,583
Montreal	95,519,531	+11.5	82,272,134
Ottawa	4,763,172	— 2.0	4,133,266
Kingston	508,072	— 7.6	517,080
Peterborough	646,749	+ 5.1	621,426
Toronto	100,957,611	— 3.5	98,616,213
Hamilton	4,019,878	+ 1.0	3,932,814
Kitchener	995,326	— 4.7	932,265
Brantford	873,751	— 9.4	743,179
London	3,113,081	+ 1.6	2,345,821
Chatham	388,041	— 6.9	421,503
Windsor	2,758,529	+23.3	2,093,814
Sarnia	524,081	— 7.5	447,475
Sudbury	657,343	+ 9.8	780,128
Ft. William	667,070	+ 2.6	642,538
Winnipeg	45,808,162	— 5.5	57,190,744
Brandon	304,016	+ 3.5	291,228
Regina	2,756,648	+ 0.9	2,875,796
Moose Jaw	484,838	+ 2.8	375,783
Saskatoon	1,178,912	— 4.2	1,126,131
Pr. Albert	278,727	+13.4	254,897
Calgary	4,491,288	—20.0	4,380,119
Medicine Hat	197,084	— 0.7	171,213
Lethbridge	386,848	+17.5	347,915
N. W'minster	464,522	+14.9	478,607
Vancouver	14,099,743	— 3.7	13,689,443
Victoria	1,502,906	+ 1.5	1,424,960
Edmonton	3,662,146	+ 5.9	3,628,603

Ontario Manager

IAN ARMOUR
Who was recently appointed Toronto and Central Ontario manager for the Aetna Life Insurance Co. Mr. Armour has been connected with the Toronto agency for seven years as a manager of the group department.

UNDUE INFLUENCE COSTLY TO BANK

Ottawa Woman Allowed Return of Collateral by Privy Council

Judicial Committee of the Privy Council has ruled that securities deposited by Mrs. Jean MacKenzie, Ottawa, with the Royal Bank of Canada as security for loans to her husband be returned to her with back dividends and costs. Mrs. MacKenzie pleaded undue influence, and lack of advice, in making the collateral deposit.

Mrs. MacKenzie appealed as a pauper from a decision of the Supreme Court of Ontario which had reversed a decision in her favor by the trial judge. The securities she recovered were 87 preferred and 100 common shares of Ottawa Dairy Co., now part of Borden Co., with accumulated dividends since 1925 and costs, worth about $46,000.

John Mackenzie, the husband operated a contracting manufacturing and contractors supply business under the name MacKenzie Ltd. This company became bankrupt, but both before and after the failure Mrs. MacKenzie put up her own shares as security for the firm's bank loans. She sought return of the securities on the grounds the bank manager and her husband exercised undue influence in obtaining the deposit of them, that she had no competent independent legal advice, and that the bank neglected to return them when they were released by the bank's accepting certain assets from the trustee in bankruptcy to satisfy the loan.

Instead, she alleged, further undue influence was used, and she was told the securities were gone and she might as well hypothecate them anew on behalf of a new company, MacKenzie Manufacturing Co., which also went into liquidation in 1926.

Insurance for Buyer and Seller

TARIFF COMPANIES REPORT PROGRESS AT 1934 MEETING

C. F. U. A. Discuss Vexed Problem at Murray Bay

"Encouraging progress" toward a solution of the vexed question of the "in-one-in-all" problem was reported to The Financial Post following the semi-annual meeting of the Canadian Fire Underwriters Association at Murray Bay last week.

Opinion of the membership seems divided however as to whether or not this means an early solution of a matter which has been worrying member companies sorely for the past six months. One company manager who attended the meeting expressed the view that the problem was one which might yet take a year or two before any final solution would be found.

At least all members were agreed on the merits of their meeting place for a rest and golf.

History of Ruling

It will be remembered that six months ago the tariff fire and casualty associations in Eastern Canada decided to enforce as of March 1 the "in-one-in-all" rule upon all members of their respective associations. This meant in effect that all companies for the future must be either "tariff" or "non-tariff" in their underwriting. If they were members of one "tariff" body such as the Canadian Fire Underwriters Association, then they must join all other "tariff" associations in Canada. This included not only the other tariff fire association in other parts of Canada, but also the automobile and casualty associations. In other words a company must henceforth elect to be either "non-tariff" in all its underwriting in all parts of Canada, or else if it chose to be in one association, it must be a member of all tariff bodies.

Four Months Elapse

Already nearly four months have elapsed since this ruling was supposed to be enforced. So far nothing has happened beyond a great number of meetings, in an attempt to find a sound basis upon which such a plan could be successfully operated. Members of the C. F. U. A. claim that documents which "amount to applications" from all the companies concerned are in the hands of the tariff committee and that all which remains is to work out a satisfactory basis of negotiation for their inclusion into the "in-one-in-all" scheme.

It is these negotiations which have been going on now for months and which culminated (for the time being) in the presentation of a special report to the C.F.U.A. meeting at Murray Bay last week. Apparently C.F.U.A. members while unanimous as to what they would like to have done, are anything but agreed as to the methods to be used to achieve their object. In the meantime business both in and out of the association, goes on about as it did before the theoretical imposition of the "in-one-in-all" rule last March.

About 70 company managers and representatives attended the meeting.

Officers elected for 1934-35 were as follows: President, W. E. Findlay "Springfield"; vice-president for Ontario, Robert Lynch Stailing, "Sun"; vice-president for Quebec, John Holroyde, "Commercial Union."

Executive committee, W. R. Houghton, "London and Lancashire"; W. E. Baldwin, "Continental"; J. H. Riddel, "Eagle Star and British Dominions"; Alex Hurry, "Northern"; Adam McBride, "Great American"; Kenneth M. Sabiston, "Canadian Surety"; Kenneth Thom, "Western"; A. C. Hall, "Ocean"; C. E. Sanders, "Atlas"; Edgar J. Kay, "North British and Mercantile"; J. H. Labelle, "Royal"; and B. W. Ballard, "Hartford."

Fire Premiums Improve In '34

The steady decline in premium income which has worried fire and casualty insurance officials in Canada for the past few years seems to have been somewhat checked during 1934, according to information given The Financial Post in recent weeks. Few companies as yet report any real gain in volume, but most groups agree that premium volume is at last holding its own again.

Losses to date show considerable improvement over 1933, it is reported.

Similar encouragement comes from fire and casualty companies operating in the United States, who report that for the first time in several years constructive factors seem to be outweighing negative influences.

Early Returns Show Decline Hail Volume

A lower volume of hail business during the first few weeks of the 1934 season as compared with 1933, is reported to The Financial Post by a leading company operating in Western Canada under the auspices of the Canadian Hail Underwriters Association of Regina.

The season opens early in June with most of the volume being written during June and July. Present indications point to a lower volume for 1934 than even the very low amount of business written in 1933. However good weather in the next few weeks may materially alter the situation.

Little change in underwriting practice is reported for 1934 as compared with a year ago, there being a very general use of the "deductible" clause in the policies now being written. This type of policy was first introduced in Saskatchewan about three years ago and has since been extended into all provinces.

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Commercial Travellers Mutual of Utica

Would you advise me concerning the Commercial Travellers Mutual Accident Association of America, Utica, New York, who claim to have a branch in Ottawa at 140 Wellington Street?

We would like to know if they carry the necessary deposit with the Dominion Government and if they are authorized to write insurance of this nature in Canada. Also what is their reputation for paying claims? It appears to us that their rate is too low to be sound and we would appreciate an expression of your opinion.

Commercial Travellers' Mutual Accident Association has been carrying on business in the United States for 51 years having commenced operations under a license from the State of New York in 1883. Within recent months a certificate of registry was granted by the federal insurance department at Ottawa although no figures will be available in the blue books of that department until reports for the current year (1934) are available in 1935.

However we are informed by G. D. Finlayson, federal superintendent of insurance that "before registry at this department was completed, a report was filled by a firm of actuaries qualified under the insurance act, which indicated that the affairs of the association were in a satisfactory condition."

Assessment Policies

Information supplied us by officials of this organization reveal that two types of policy are issued, one offering accident insurance benefits and the other health insurance benefits. All applicants for insurance must become members of the association by paying the entrance fee and annual dues and policies are written on an assessment basis which means that members are liable to pay any assessment dues levied from time to time by the association. The association reports a membership at the present time of some 212,000 members of which 2,000 are Canadians. It is said that of this total 45,000 have been with the association for a period of from 20 to 50 years. No paid solicitors or agents are employed by the association but credits or prizes are offered as a reward to members for the introduction of new prospects.

Two Accident Policies

The association is apparently offering only its accident policy in Canada. Two policies are issued, both are identical except that one is termed a double-benefit and for exactly double the cost, offers proportionately larger benefits. Single benefit certificates are issued in the nominal amount of $5,000 (that is $5,000 for loss of life, loss of both arms, legs or eyes, etc.) and provide for a total disability indemnity of $25 a week for a period of 104 weeks. Partial disability benefit amounting to $12.50 a week is offered for a period of 26 weeks. Double benefit policies are for twice these amounts.

Cost of Membership

The entrance fee of the association is $2 for a single benefit membership and $4 for a double benefit. In addition there is a $1 per annum membership fee for the single benefit plus an assessment according to the policy "not exceeding $3 for single benefit and $6 for double benefit."

However, according to information obtained from H. E. Trevvett, secretary and treasurer of the association:

"Assessment upon members may be made as often as the needs of the association require, but each assessment shall be fixed at a sum not exceeding $6 for each single benefit membership and $12 for each double benefit membership.

"As a matter of fact," continues Mr. Trevvett, "single benefit memberships have cost $12 a year in each year since 1929 and have never at any time exceeded that amount; double benefit membership has cost $24 in each year since 1929 and has never exceeded that amount."

High Claims Liability

The financial statement of the association as at the end of 1933 shows total admitted assets of $2,170,000 of which $592,000 is stated to be in "legal reserves," $83,000 in miscellaneous reserves and $413,000 in surplus. Over $1,000,000 of liabilities are in respect of death and disability claims in course of settlement which would seem to be rather a high figure, being almost 50 per cent of total assets.

The association explains this by reference to the large number of claims handled each year. Officials claim that payment is made on receipt of proof although a legal stay of 60 days is allowed for loss of life benefits. Also according to the terms of the contract the association is not liable for its disability indemnities until the expiration of the disability period. However, the contract states that upon the request of the insured, one-half of the accrued indemnity will be paid at the expiration of each 60 days and any unpaid balance paid at the termination of the disability period.

The 1932 statement of the association contained no statement of financial conditions other than a report of income and disbursements, so that comparative figures are not available. However, the 1933 statement states that surplus account was increased 25 per cent during the year; that expenses were reduced by 13.7 per cent and "'goodwill was fostered by continuation of a liberal policy of claims payment."

Not Limited to Travellers

Although the name of the association implies that it was originally organized for membership among commercial travellers, articles of the association contain no limitation and apparently any "white man of good moral character and good general health, not over 55 or under 18 years of age" who is rated as preferred insurance risks, is eligible for membership. The association reports that out of a total income of over $55,000,000 since organization 78.5 per cent has been paid back to members against their claims.

According to the last statement of the Federal Insurance Department, the association carries a deposit of approximately $10,000 for the protection of Canadian policyholders.

SUCCESS FORMULA AVAILABLE TO ALL

Importance of enthusiasm for the product being sold is stressed in a paper entitled "There Is a Formula For Success," written by C. F. Dunfee, C.L.U., Vancouver manager of the Great-West Life.

Pointing out that there is no secret to the success formula in the life insurance business, Mr. Dunfee suggests that the following, described as "A Life Insurance Man's Creed," is worthy of adoption by everyone in the business:

"I believe in the product I am selling—in the firm I am working for and in my ability to get results.

"I believe that honest goods can be passed out to honest men by honest methods.

"I believe in working, not weeping; in boosting, not knocking, and the pleasure of my job.

"I believe that a man gets what he goes after, that one deed done today is worth two tomorrow, and that no man is down and out until he has lost faith in himself.

"I believe in today and the work I am doing, in tomorrow and the work I hope to do and in the sure reward the future holds.

"I believe in courtesy, kindness, in generosity and good cheer, in friendship and in honest competition.

"I believe there is something doing somewhere for every man ready to do it.

"I believe I'm ready—right now."

Hamilton Insurance Fund Reports Good Experience

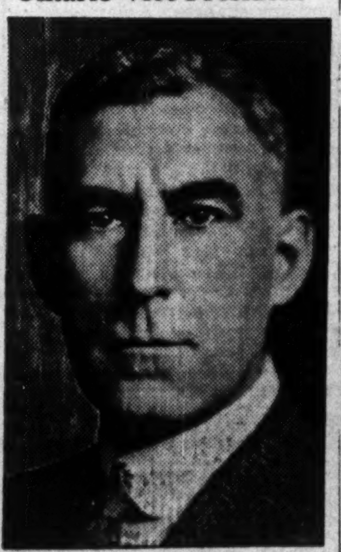
While it has never had to stand the brunt of a heavy claim, which it must always be prepared to do, the city auto insurance fund is one of the safest little businesses that Hamilton has ever entered into, according to the Hamilton Spectator, Hamilton. Assets at the end of 1933 were $84,020, after $42,940 had been paid over into budget revenue.

Total receipts of the insurance fund in 1933 are shown to be $14,836, of which $4,850 accrued as interest on investments and the remainder was paid in as premiums by the various city departments running automobiles. Claims for 1933 amounted to only $343.

Insurance Inklings

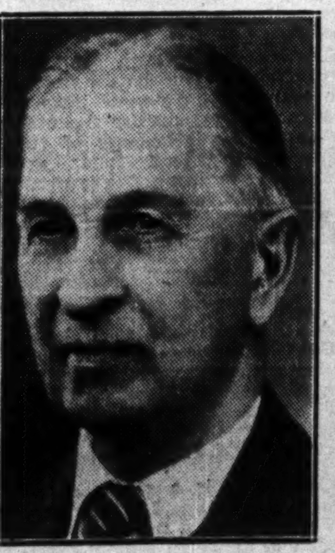
Lieut.-Col. W. H. Seymour, formerly Hamilton manager of the Imperial Life died on June 10.

Ontario Vice-President



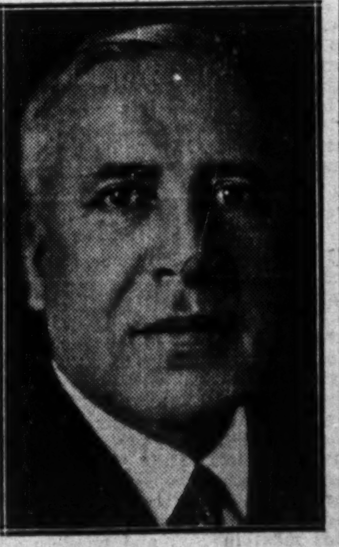
R. L. STAILING
Manager for Canada of the Sun Insurance Office Ltd. and associated companies, who was elected vice-president for Ontario by the Canadian Fire Underwriters Association at their annual meeting last week.

Elected President



W. E. FINDLAY
Manager for Canada of the Springfield Fire & Marine Insurance Company, who was elected president of the Canadian Fire Underwriters' Association at the 51st annual convention held recently

Quebec Vice-President



JOHN HOLDROYDE
Manager for Canada of the Commercial Union Assurance Co. of London and allied companies, who was elected vice-president for Quebec Province of the Canadian Fire Underwriters' Association.

A man lives too long —if his old age must be spent in poverty and want

He dies too soon —if proper provision has not been made for the continued comfort of his family.

Endowment insurance affords protection against each of these possibilities. If the assured lives, the maturing endowment will provide an income for his later years and enable him to enjoy his leisure. If not, his family's needs will be taken care of.

Figures suited to your own particular requirements will gladly be furnished by your nearest Sun Life Representative.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
Insurance in force .... over $243,000,000
APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES
Eastern Offices: 341 CHURCH ST., TORONTO

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters

FRANK E. HAND, Supreme Chief Ranger — HEAD OFFICE: TORONTO, CAN.

ROYAL INSURANCE COMPANY LIMITED

Extracts from the Report for the Year 1933

Net Premiums (All Departments)	$67,811,295
Net Interest Earnings	10,998,648
TOTAL INCOME	$78,809,943

After providing for Debenture Interest and the Final Dividend for 1933, the Funds of the Company stand as follows:—

Capital Paid Up	$ 13,999,825
Life Assurance Fund	115,741,890
Annuity Fund	12,241,050
Capital Redemption Assurance Fund	3,017,490
Accident and General Insurance Fund	25,025,750
Marine Fund	7,341,325
Superannuation Fund	3,427,455
Shareholders' Life Profits	200,000
Fire Fund	28,562,065
Reserve Fund	5,000,000
Balance of Profit and Loss Account	8,106,160
TOTAL FUNDS	$222,663,010
TOTAL ASSETS	$266,982,845

($5 taken as equivalent of £1).

CANADIAN HEAD OFFICE
MONTREAL
J. H. LABELLE, Manager

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks of foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

General Steel Wares

I hold a few shares of General Steel Wares preferred. Would be pleased to know what information you have on this stock. Is there any chance of securing a better price at a later date?

It is understood that General Steel Wares has been earning bond interest since the beginning of the year. This compares favorably for the year ending December 31, 1933, when the operating profit of $445,975 was $59,280 below the interest requirements of the outstanding bonds. Since the beginning of the present year total earnings of this company are reported to have been particularly satisfactory, and at the present rate it would appear that the company will not only be able to earn full interest but that something will be left over to apply on depreciation. Nothing has been added to the latter account since 1929, although large sums, it is said, have been spent out of earnings on maintenance and fixed assets. We understand that the recent improvement in sales of General Steel Wares has been general in all lines and throughout the whole of Canada.

The price of the preferred stock has risen from a low of 12⅛ in 1933 to over 35 at the present time. Preferred shares are entitled to a 7 per cent cumulative dividend which was paid regularly up to and including Feb. 1, 1931. None has been paid since. On the $4,500,000 of outstanding preferred shares dividend requirements amount to $315,000. Last year after meeting bond interest alone there was a deficit of $59,280, compared with a deficit of $738,730 for 1932.

While it may be some time before preferred dividends can be resumed, recent developments have greatly improved the prospects of payment.

Brokerage Charges

Will you please state the brokerage fee on B. A. Oil and Imperial Oil under $10 and from $10 to $15? Can a broker put transaction through another broker who is a member of of the exchange, and make an additional charge over the regular commission? If so, how much may he so charge?

Commission on the Toronto Stock Exchange on B. A. Oil and Imperial Oil at prices between $5 and $10 a share is $12.50 per 100 shares bought or sold. Between $10 and $25 a share, the commission is $20 per 100.

A member of the exchange is allowed to rebate one third of the commission to an authorized correspondent broker. However, there might be cases in which dealers are not authorized correspondents of Toronto Stock Exchange members and might make a surcharge above the member broker's commission in order to defray the expenses of arranging a transaction. If the client gave such an unauthorized agent an order, there would be nothing to prevent the agent from making a reasonable charge for his services.

If an authorized correspondent broker of a Toronto Stock Exchange broker were to charge more than the regular commission on which he gets his revenue by the one third rebate, the Toronto Stock Exchange might remove such offending broker's name from the list of authorized agents.

Short Term Bonds

Would I be wise to sell short term Toronto six per cent bonds and five year New Brunswick five per cent bonds? If so, what investments should I make to increase the yield?

Generally speaking, the investor can only increase his yield by accepting some lesser security in exchange for bonds such as you now hold. The Toronto 6's probably offer you a higher yield than a bond bearing a lower coupon rate. However, as the term is short, your yield would be reduced by that fact, and you might increase it by buying bonds of equivalent security, but for longer term. The same, of course, would apply to your New Brunswick 5 per cent bonds.

Short term bonds sell at very low yields, and high prices, because banks and other institutional investors place a great deal of money in this type of security. However, for the ordinary investor, longer term bonds of similar type are frequently more attractive, because of the higher yield available.

The best informed financial opinion in the country is uncertain as to whether profits should be taken on the recent rise of gilt edged securities in Canada. There is some responsible opinion which feels that the interest rate may continue to decline, and prices consequently rise, but there are others who feel that it might be wise to take profits. There is no means of foretelling with reasonable exactness what the rate of interest is likely to do. Upon this, of course, will depend the price of the type of bonds you mention.

Can. Perm. Debentures

Would it be advisable for me to renew a bond in the Canada Permanent Mortgage Corp. which is coming due July 1? The bond has been paying 5 per cent, but the Corporation has notified me that the new bond will be at 4½ per cent. What is the approximate value of these bonds at the present time? Would there be any difficulty in cashing in on the new bond in the future?

The debentures of Canada Permanent Mortgage Corp. are not quite like bonds. They amount to a fixed deposit, which the owner is supposed to hold until maturity. The debentures can be obtained for periods from one to five years in denominations of $100 or over. There is no open market quotation for them. On occasions the company might buy debentures from holders, but usually at a discount. Thus, the security is not quite as marketable as, for instance, would be government bonds. On the other hand, the debentures are always good collateral for a bank loan, in case cash is required, and the rate is higher than on many government bonds.

The needs of the individual can also be served by taking a debenture for a shorter term, if there is a chance of having to raise cash. We are informed that there may be some further reduction in certain of the mortgage company's debenture rates.

The company has had a very long and highly honorable record, and has never failed to pay interest when due, and has, in addition, built up substantial reserves, and paid common dividends on capital stock for many years.

Western Cities

Are bonds of Moose Jaw, Medicine Hat and Saskatoon safe investments? Is interest likely to be paid regularly, and has it been paid to date?

The financial position of the city of Medicine Hat is regarded as among the least favorable of the larger municipalities in Alberta. The city has substantial arrears in sinking funds, and other liabilities total some $1,200,000.

In connection with Saskatoon, you will note that tax collections have been on a low level, and that the city has substantial bank loans and other liabilities, in addition to debenture debts.

You will also notice that Moose Jaw had a very low ratio of tax collections in 1933, and also has some floating debt.

These three cities lie within the borders of an area in the Canadian wheat growing area in which crop damage has been substantial in the past three years. This, of course, has affected their financial position adversely. However, these municipalities have withstood similar severe sieges in the past, and many authorities believe that they will recover quickly, given good crops. One of the reasons that the floating debt has been large is that western municipalities, generally, cannot borrow freely on Canadian investment markets. The whole western municipal situation, as you may know, has been harassed by reason of crop failures, low prices, and so on. In the three cities in question, no question has been raised as to the willingness of the communities to pay their debts, if they are able to do so.

80 Richmond St.

When was interest last paid on bonds of 80 Richmond St. West, Toronto? What is the present position of the property?

Last date upon which interest was paid on bonds of 80 Richmond St. West, Ltd., was Nov. 1, 1929. The company owns a 24-story office building known as the Victory Building in Toronto. Work on the building was discontinued in November, 1929, and subsequent efforts to finance completion of the structure have been unsuccessful.

While the company is believed to have some assets, a substantial sum would be required to finish the building. Taxes of course, are mounting. In the case of a similar building in Toronto, Queen's Park Plaza, the building was recently disposed of for $28,000 at tax sale. This may be the ultimate fate of the 80 Richmond St. West property, unless bond holders, or other interests are willing to invest funds to complete the structure.

Newfoundland Bonds

Can you give me information about Newfoundland 5½ per cent bonds, due 1939, which I hold? The last interest coupon has been returned to me by the Bank of Montreal, which advised me to get in touch with the Bank of England.

As reported in The Financial Post early in January, the Government of Newfoundland, through the British treasury, made arrangements last year to exchange all, or nearly all its present bonds for new three per cent securities, guaranteed by the British Government.

The 5½ per cent loan, due 1939, was among these. Holders were given the right to convert up to about the end of January, and this was subsequently extended into February. Nearly all holders converted, but apparently you were not informed of the change.

Interest will not be paid on the bonds that have been left outstanding, until the financial position of the island improves substantially.

The only thing for you to do now is to write to the Bank of England, as the Bank of Montreal suggested, and to ask them to make the exchange of your bonds for you. You could explain that you do not reside in one of the large metropolitan centres, and were not aware that your bonds should have been exchanged, until some time after the conversion offer had expired. It is possible that they might allow you to make the exchange.

Dominion Gas

What is the position of Dominion Gas and Electric 6½ per cent bonds, due 1945? What is the present price, and is interest likely to be paid regularly?

Present approximate prices are 66 bid, 70 asked, for Dominion Gas and Electric 6½'s of 1945. The company has a deficiency in its consolidated working capital account including subsidiaries. It has been through a reorganization process, and reorganization of certain subsidiaries may also develop. However, bond interest was earned in 1933, according to the company's consolidated statement, and is expected to be paid.

One of the most important securities as collateral for the 6½'s of 1945 is $4,000,000 of bonds and nearly all the shares of subsidiaries. The reorganization plan provided for amendments to the indenture securing the 6½'s including provision for the release of $4,000,000 of first mortgage bonds of subsidiaries now deposited thereunder against substitution of new first mortgage bonds of between $2,000,000 and $3,000,000 and all stock issued in connection with the recapitalization of subsidiaries. Subsidiaries are also to be permitted to issue securities directly to the public instead of being required to pledge them as security for the bonds.

Bondholders were given warrants entitling them to purchase 15 shares of common at $7.50 per share, for each $1,000 bonds, up to September 1, 1936, and at $10 to September 1, 1938. These warrants may eventually become of some value, but are of dubious worth at present.

Interest was earned 1.49 times before and 1.06 times after depreciation in 1933. The consolidated statement shows current assets at $1,308,355 for the group of companies, and current liabilities at $1,560,366 at Dec. 31, 1933. Reorganizations may remedy this.

Western Canada Flour

I am thinking of buying either Western Canada Flour Mills preferred or common stock. What is the situation?

Western Canada Flour preferred stock had earnings of $4.73 available in the year ended August 31, 1933, whereas the dividend rate needed is 6½ per cent. On the common stock it therefore earned less than nothing.

The company is a well managed company with an excellent record until the last few years of difficult business. It paid dividends on the old common stock from 1906 to 1926 when the stock was divided into two stocks, one a preference stock to the extent of $60 par value of each share of old common and three shares of new common stock for the balance. This meant that $1,725,000 of preference was issued for the old common and an additional $775,000 to redeem bonds outstanding at that time.

To get the position of the preferred stock with reference to the earning assets of the company you therefore have to understand that more than one quarter of it replaced old bonds and the remaining three quarters of the outstanding stock replaced old common stock.

At the end of its last fiscal year the company had a bank loan (secured) of $722,000. The inventory position was good proportionate position. In these times one has to pay more than usual attention to contingent liabilities as sometimes these chickens come home to roost. One should be especially careful in the case of baking subsidiaries because baking companies have really had most difficult sledding in the last few years. The company was guaranteeing a loan to Purity Baking Co. of $1,822,200 on August 31, 1933, as compared with only $700,000 at the end of 1929. The principal plants of this subsidiary are in Toronto and Winnipeg.

The company has had to depend on reserves somewhat in the last few years to pay dividends. Canadian flour milling companies need foreign markets for half of their production. Nationalistic policies of extreme narrowness in Europe especially have had as chief component the encouragement of wheat-growing so as to ensure domestic food supplies in case of war and as a natural concomitant the upbuilding of flour milling enterprises. As confidence grows in the possibility of peaceful trading between nations and when nations clear away the international governmental debts which becloud every attempt to get trade and exchange stability between nations, there will be a better opportunity for companies such as this.

Most Canadian flour milling companies, and this one along with the others, have no doubt but that they can recapture all the old markets on the merit basis of their products if impossible tariffs against flour and wheat are dropped. One hopeful feature for the Canadians is that industrial populations view with considerable exasperation this policy of hoisting the price of bread and of flour in order to pay higher than the world price for domestic wheat to farmers within the tariff barrier in France, Germany and elsewhere.

The headway made in the last year to smoothing the road for better inter-Imperial trade is one step in this direction. The present recrudescence of disputes about international debts and how to pay them or to get them paid is a deterrent factor. If it leads to settlement on a reasonable basis, it may be a good thing.

Simpson's Bonds

I hold some Simpson's, Ltd. bonds. Are they well covered by earnings and is there any threat to those earnings from the price spreads committee at Ottawa? I, mean, is there likely to be any legislation which will increase costs and make it more difficult for them to make their bond interest? I read your articles about Eaton's and Simpson's earnings and, though they were good up to 1931, they have evidently had a hard time to make ends meet in 1932 and possibly even now. I know they seem strong financially but it is the earning power I am thinking of.

Simpson's Limited 6 per cent bonds were well covered by earnings in 1933. In the two years previous the situation showed a considerable strain because declining commodity prices caused the company to take considerable losses on inventories from time to time in common with other departmental stores.

We cannot predict the course of legislation based on the Stevens enquiry nor the results on the business of departmental stores of such legislation when put into actual effect. When costs are increased, no matter how the increase in costs is brought about, there is usually a decided effect in higher prices and in reduced consumption except where public buying power has also increased. One effect usually on companies that fear adverse legislation is to cause them to conserve cash and to make only necessary commitments. It would not affect the payment of interest on bonds, for instance, but it might delay payment of dividends on preferred stock even though earned.

Earnings in 1934 are generally conceded to be better than in the same period of 1933. Not only have all requirements of Robert Simpson Co. bonds and preferred stock been looked after, but bonds and preferred stock of Simpson's Ltd. will have had their requirements, it is estimated, covered in the first half year of operation. For the reason mentioned it is possible that dividends on preferred stock may not be resumed until the course of business and legislation has been made clear.

North Star Oil

Please give me your opinion of North Star Oil preferred stock as a safe speculation.

Probably inadvertently you ask our opinion of North Star Oil preferred stock as a "safe" speculation. The word "speculation" is well used with regard to this security under present conditions, but, of course, no speculation can be considered "safe."

North Star Oil 7 per cent preferred stock of $5 par value deferred the dividend due January 2, 1934. The last payment was 8¾c. a share on October 2, 1933. The company has been since 1920 paying 35c. a share, which is at the rate of 7 per cent on a par value of $5. The company for some years back has had large amounts owing to it in Western Canada, having given considerable credit to farmers in 1930 to help them get their grain in. As a result it also owes a considerable amount and the position is somewhat difficult in view of the fact that prices have been lower in recent years and the same area is covered by large and strong companies which are able to keep the spread of expense somewhat low. A comeback in prosperity in Western Canada would be helpful to the company but in the meantime the stock is surrounded by uncertainty.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

"Family Friend" Racket

WOULD you kindly grant me a few minutes of your time? I am a family friend of Col. Blank, of Montreal."

These words, neatly written on the back of a business card, recently proved to be the basis of a petty but nevertheless annoying racket, whose victim in this particular case was the British representative of a large Canadian firm.

According to information from overseas, racketeers of this type are quite common at this time of year, and thrive because it is such a difficult and delicate matter to tell them from genuine visitors.

This is the way it was worked in the case in point.

The business card, inscribed as above, was handed in to a busy executive in London, whose head office was in Montreal. Inasmuch as the Col. Blank mentioned on the card was president of the company which employed the executive, he readily admitted the visitor. The visitor, a presentable, middle-aged person, claimed to be the New York business manager of a Montreal daily paper. He was in London, he said, and wanted a cheque endorsed. He claimed to be on terms of the greatest intimacy with the executive's employer, Col. Blank, and, on the basis of that friendship, didn't hesitate to come right to the London office of his "old friend." From his conversation he appeared to be very well connected on this side, and the executive duly endorsed the cheque.

The cheque proved absolutely worthless, and investigation showed that not only was the man unknown to Col. Blank, but he had absolutely no connection with the Montreal newspaper whose name appeared on his business card.

The only protection against this type of racketeer is for Canadian employers to instruct their overseas representatives never to act on self-claimed friendship. If it is a standing rule of the company, nobody can take offense, even in the event of the visitor being a genuine friend of the company president.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

McVittie-Graham Mines

What is the present position of McVittie-Graham Mines? I notice the shares have declined in the market and I was wondering if there had been any unfavorable developments.

McVittie-Graham Mines as you are probably aware, is a holding company with chief interest in ownership of 56 per cent of the outstanding capitalization of the Veraguas Mines in Panama. Both companies are under the direction of F. M. Connell, of Toronto, a well-known and experienced mining man. The Panama property was acquired last year after it had been favorably reported on by John Reid, one of the outstanding mining engineers and geologists in Canada. The property is exceedingly high grade and its ore shoots have yet to be delimited. It was worked some 300 years ago by the Spaniards. Last December a 35-ton mill was installed at the property and it has been in steady production since that time. Under the terms of the agreement McVittie-Graham Mines loaned Veraguas some $275,000 to get into production. This is being repaid out of first profits. For the loan McVittie-Graham received 56 per cent of the issued capitalization of Veraguas. In this week's issue of The Financial Post you will see that the company's production in May was about $45,000. After the loans are paid up, earnings will start to accrue toward dividends. The property is exceedingly high grade and recent developments have been of an encouraging nature. It is not yet proven as a big mine, but a very high grade one and inclined to be erratic, as are most high grade properties.

Thompson-Cadillac Mines

I would appreciate it if you would give me a brief report on the present position Thompson-Cadillac Mines.

Thompson-Cadillac Mines is an old property that assumed new importance this year with the high price of gold. It is principally controlled by Sir Thomas Tait and associates of Montreal who arranged refinancing this year for further development and at the present time a mill is in the course of construction. The company has been handicapped by lack of finances to carry out any large scale programme or mill. We believe that the modest plant being installed will function satisfactorily, sufficient, at least, for a thorough test of the property. The ore reserves proven up to date are not large, but the property is in an area that is attracting considerable interest, being adjacent to the O'Brien-Cadillac Mines, owned by the M. J. O'Brien interests, which has been in profitable production for nearly two years. At the present stage it is impossible to appraise the ultimate earnings importance of the property. Providing funds are forthcoming to finance the company to the profitable production stage, its future will largely depend on the success in finding ore.

Noranda Mines

A mining engineer, fresh from a Canadian college, states the consensus of Canadian engineers is that the life of Noranda Mines will not exceed 12 years. Please report if this statement be correct or otherwise.

"Consensus" is a pretty strong word for a budding mining engineer, just out of college, to apply to the opinion of Canadian mining engineers respecting the life of Noranda Mines. In the first place, how could contacts of a young engineer possibly be so broad as to allow him to state there is unanimity of opinion regarding any mine. Toronto possibly has more mining engineers of high standing than any other city in Canada and almost daily contacts with them have never yet brought the statement to the writer that Noranda's life will not exceed twelve years.

In 1933 Noranda Mines treated 1,541,524 tons of ore. In 1934, owing to a 50 per cent increase in the capacity of the concentrator, it is possible that the tonnage treated will amount to 1,750,000 tons. At the end of 1933 the official ore reserves as estimated by officials were 23,345,000 tons. Therefore, without finding another pound of ore and based on the current rate of production, the indicated life is 13½ years. This, however, falls far short of giving the true or ultimate picture of Noranda. In the first place, even the present estimate of copper ore reserves contains more gold than any gold-producing mine known in Canada. To get the proper perspective of ore reserves and, therefore, potential life of the property, it is only necessary to reflect back two years. In 1931 the official estimate of ore reserves was under 11,000,000 tons; 1932 showed a substantial increase notwithstanding the treatment of 1,218,000 tons; while 1933 reserves were as referred to above.

In order to understand properly the Noranda picture it should be pointed out that the ore reserves included only development to the 2,475 ft. level. There is no secret about the ore developments at Noranda Mines.

Nordon Corp.

I understand above company is in worse condition financially than last year. Is their drilling programme this year extensive? What is the outlook for this company if they cannot bring in some wells of importance.

Nordon Corp. has been unsuccessful in its development programme and has met with one failure after another although outstanding geologists have guided the drilling programme of the company. The financial position has been steadily getting worse, and it has no worthwhile liquid assets. The company has some interesting tracts of potential oil leases which it has shared with drilling companies who undertake to drill and explore the holdings and if successful will profit accordingly, but at the present time there is nothing tangible on which to pin hope for the future. It has a small income at the present time from royalties but barely sufficient to meet necessary expenses.

International Pete.

I already have 100 shares of Int. Pete. and am contemplating a further purchase. Would you recommend any changes? I want safety with a good chance of appreciation of both capital and dividend.

It is difficult to speak of the exact investment position of International Petroleum common stock because that company does not publish an annual statement. It has been paying dividends of $1 a share for some years and has continued to do so in spite of the declining prices for three or four years back for petroleum. The company's production in 1933 was fully up to the level of 1932 but during the first half of the year they must have sold at a price which gave little profit in view of the fact that its prices are based on the mid-continent prices. Those prices were utterly demoralized until the "oil code and the new deal" under President Roosevelt when all prices of crude oils went up to $1 a barrel and over.

The general impression of those close to the industry and in a position to assess in a general way the probable earnings of International Petroleum is that it is at present earning its dividend by a substantial margin. Though gasoline consumption the world over has not continued the rapid advance of the decade previous to 1931, fuel oil consumption has been rapidly advancing and affords another fascinating possibility for consumption to catch up to the world's potential capacity to supply all demands.

Falconbridge Nickel

We should be pleased to receive your opinion of the advisability of purchasing Falconbridge Nickel Mines, Ltd.

Falconbridge Nickel Mines has been in production since February 4, 1930, and has steadily increased its production from 2,630 tons of matte in 1930 to 8,297 tons in 1933. Its refined nickel production increased from 468 tons in 1930 to 3,734 tons in 1933. The first financial statement respecting earnings was presented at the end of 1932 in which year the company earned 24 cents per share on its 3,195,055 shares outstanding. In 1933 it earned 34 cents and paid a dividend of 25 cents. An expansion programme came late in 1932 when the smelting was increased from 325 to 450 tons daily. In April, 1933, a concentrator of 250 tons daily capacity was constructed. Ore reserves at the end of 1933 were shown at 2,817,884 tons averaging 2.23 per cent nickel and .93 per cent copper, the grade having dropped from 2.47 per cent nickel and 1.08 per cent copper as reported in 1929. The company's refining subsidiary is located in Norway and the matte produced at the mine is shipped there for treatment and principal production is sold abroad.

Although the property has been known since 1915 it was not considered of sufficient importance by the International Nickel Co. to acquire it. In 1928 the present company which is closely allied with Ventures Ltd., and the Lindsley interests, well-known mining promoters, secured the property and started development. The initial success of Falconbridge is simply reflected from the sales and research policy built up by International Nickel Co. In so long as Falconbridge confines its production to a small output there is reason to believe that it will be welcomed as a competitor by International.

A factor worthy of consideration is a small but apparent decline in the grade of ore and the lack of any substantial tonnage of ore reserves. Those usually well informed see in the construction of a concentrator its necessity in order to treat lower grade ore encountered and provide the smelter with richer feed and, therefore, higher metal capacity.

B. R. Consolidated Mines

To what extent have Bridge River Consolidated progressed and what evidences are there on the property of actual gold-bearing minerals they have to date.

I understand the Consolidated Mining & Smelting are going to bring the property to production and are to receive 52 per cent interest for this. Is this contract settled, or is it still a prospect, and what work has the Consolidated done to fulfill the contract? Also, how far is the property from the milling stage?

Bridge River Consolidated Mines is under development by Consolidated Mining & Smelting Co., which has an option on 52 per cent interest for financing development work. Last week the report came from Vancouver that the California vein had been encountered on the 300 ft. level. It is understood that drifting in ore on this vein is under way. The property is not being equipped for a mill. It is an interesting prospect about 3 miles from Bralorne, the nearest producer. It is assured a well-directed and conclusive programme in the hands of Smelters, but it is impossible to appraise its importance at present.

Balfour Bldg. Income Nearly Equals Interest

Balfour Building, Montreal, was reported 88 per cent rented on June 1. On basis of present rentals, revenue is running at an annual rate of $85,387. Expenses amount to approximately $26,000 for the same period and taxes $16,616 leaving $42,771 against annual interest requirements of $45,168 on the $752,800 first mortgage bonds outstanding of the original $800,000 issue.

Rental arrears at the end of May, 1934, amounted to $6,503 while of the $7,055 rent due for May, $6,095 was collected. Total tax arrears are reported as $24,383 of which $16,166 was due in 1933 and $8,217 in 1932.

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NAT. GROCERS CO. EARNINGS BETTER SALES INCREASE

Public Purchasing Power Improves — Pay Preferred Arrears

National Grocers Co., it is understood, will present a very favorable report for the year ending June 30. Sales have shown an increase during the past year, The Financial Post learns, and earnings have shown even greater improvement than the increased volume of business would indicate. This is explained by the fact, that with many people off relief and wage earners again employed, a higher class of groceries, particularly in such semi-luxuries as teas, coffees and fancy canned goods are being purchased.

Relief Orders

While people on relief have to eat about as much as others, necessary purchases are made with a view toward mere sustenance. Moreover municipal relief orders were often secured on more favorable terms to the purchasers than individual orders placed by wage earners. This was the case in Toronto early in the winter when the House of Industry acted as wholesale buyer and distributor, though later on the system was changed and families took relief vouchers direct to the retail merchants. With such orders, however only certain retailers might be favored, and in not a few instances the whole scheme was financed by the wholesaler, who supplied the storekeeper with goods immediately and waited for the municipality to pay the bill.

Paying Arrears

It is understood that improvement in National Grocers volume has been felt in all lines and through all parts of Ontario where the company operates. Sales have been larger and collections from retailers at least as good as last year. In the last six months four payments have been made on arrears of dividends in the seven per cent preferred stock. Including that announced for July 2 next, payments since last December total $7.86 per share and more are anticipated. However the total in arrears still amounts to over 40 per cent.

Usually in such cases capital is reorganized and the arrears wiped out by a further issue of stock to the preferred shareholders. This would have to be done with the consent of the common stock holders. The Post, however, is not able to secure any confirmation of such a move on the part of National Grocers and it is understood that until full obligations have been discharged in connection with the preferred stock no dividends will be available for other classes of stock.

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4. What is mass buying?
5. Are the big stores socially good?
6. What is "chiselling" in business?
7. What is the place of the Trade Association?
8. Must the B. N. A. Act be rewritten?
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ANGLO-NFLD. MILL REPORTS SURPLUS ON 1933 BUSINESS

Rothermere Enterprise Looks for Bigger Returns This Year

From Our Own Correspondent

MONTREAL. — Anglo-Newfoundland Development Co., operating the newsprint mill at Grand Falls, Nfld. and controlled by the Rothermere interests, reports a profit on operations in 1933 of $1,225,772 after providing for depreciation, depletion, income tax and contingencies, but before charging directors' fees. This is the first report issued by the company since it acquired the undertakings and assets of the old company at the beginning of 1933.

Out of the profits earned last year, $280,049 was applied to meeting debenture interest and preference dividends payable by the liquidators of the predecessor company. Of the balance remaining, $500,000 was written off for the item "expenses incidental to the liquidation of the predecessor company and the formation of this company, and discounts and underwriting commission on debenture stock issued," leaving $189,855 to be carried forward.

Sell Whole Output

Anglo-Newfoundland Development has a contract with Association Newspapers Ltd. for the supply of all that company's requirements of newsprint for a period of twenty-five years from January 1, 1933. The report states that as these requirements have increased substantially during the past year, this contract at present means that the whole of the output of the company's paper mill is absorbed by this customer.

The modernization of the property, commenced in 1930, was completed last year. Production established a new record of 137,846 short tons. It is anticipated production for this year will amount to about 150,000 short tons.

Dominion Stores Sales Above Previous Month

Dominion Stores sales for the four weeks ended June 16 were $1,557,863 as compared with $1,584,054 for the corresponding period in 1933. Nine fewer stores were operated during the first named period.

For the four weeks ended May 19, 1934, sales amounted to $1,543,-289, as compared with $1,554,037 for the same period in 1933 when 14 more stores were being operated.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JUNE 23

Range 1934 High	Low	Div. Rate	Yield in % June 23		Sales	Close June 16 (or last)	Week Ending —June 23— High	Low	Close	
1060	5½	7	6	6½						
240	26	28½	27	27						
65	35	6.50	...	Whittall Can		4				
2	2	.	...	Do. pref.	22	54	53½	53	53	
18	5½	.	...	Windsor Hotel	9	2	2	2	2	
4	1½	.	...	Do. pref.	25	6	6½	6½	6½	
12	4	.	...	Winnipeg Elec.	159	2½	3	2½	3	
50	20	.	...	Do. pref.	50	10½	10½	9½	10½	
		.	...	Woods Mfg. p.	....	40	..	..	..	
				Z						
6½	4	.	...	Zimmerknit, c.	....	6	..	..	..	
60	50	.	...	Do. pref.	....	60	..	..	..	

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932. ‡ Quotations for 1930.
† Quotations for 1931. b New York Quotations.
* See "Unlisted Stocks" also.
* Plus 25c. on arrears payable July 3.
a Plus $1.50 on arrears payable July 2.
* On account of arrears.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)

Public Utility Issues: June 26, 1934

Industrial and Realty Issues:

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr., & Co., Toronto)

June 26, 1934

	Bid	Asked
Rel. Grain pfd.	50.50	54.00
Rob. Cons. Conc.	7.50	9.00
Rolland Paper pfd. WW	75.00	77.50
Ruddy, E. L., pfd.	16.00	....
Serv. Sta. pfd.	45.00	50.00
Stand. Fuel pfd. bonus	89.25	....
Supersilk pfd.	58.25	....
Super. Pet. B pfd.	23.00	25.50
Thayers c.	7.25	8.00
Thayers pfd.	40.00	41.00
United Corpns. A	12.50	14.00
United Corpns. B	3.25	4.50
West. Grain pfd. bonus	5.50	7.50
Wood, Alex. & James, pfd.	23.50	30.00

	Bid	Asked
Gt. Lakes Power pfd.	39.00	....
Inter. LH&P pfd.	3.00	....
Marit. T. & Tl. pf.	11.50	12.75
N. B. Tel. c.	9.65	10.25
Nova S. L&P com.	35.00	....
Nova S. L&P pfd.	85.50	....

Recent London Quotations:

Brit. Col. Tele. pfd.	$100
Brew. & Distillers	6s.
Can. & For. Secs.	5s. 6d.
Can. Collier A inc. stk.	38
Do., B	7½
Can. N. W. Land	$1½
Can. West. Lumber	2s.
Hudson's Bay	25s. 9d.
Internat. Holdings	$1½
Nfld. Pr. & Pap. deb. stk. B 5½%	103

Dividends Declared

	Present Annual rate	Amt. payment	Date payable	Date of record
Tuckett Tobacco, pfd.	$6	$1.50	July 2	June 15
Tamblyn, pref.	$7	$1.75	July 15	June 30
Thayers 1st pfd.	$7	$1.75	July 3	June 23
Thrift Stores 1st pfd.	$3.50	$1.75	July 2	June 15
Do., 2nd pfd.	$1.62½	40⅝c	July 2	June 20
Do., com.	70c	17½c	July 2	June 20
Trusts & Guarantee	40c	10c	July 2	June 20
United Securities	$3	$1.50	July 3	June 18
Western Grocers, pfd.	$2	50c	July 16	June 27
Whittall Can, pfd.	$7	$1.75	July 15	June 20
Wright-Hargreaves	$6.50a	$1.62½	July 3	June 15
Do., extra	40c	10c	July 2	June 9
Waterloo Tr. & Savings	..	5c	July 2	June 9
Western Assur., pfd.	$5	$2.50	July 3	June 20
Weston, Geo., (new)	$2.40	$1.20	July 3	June 30
West Kootenay Power, pfd.	$1	25c	July 3	June 20
	$7	$1.75	July 3	June 26

*On arrears. †Interim. aFor quarter ended Sept. 30, 1932.

Dividend Rate Increased—
Dome Mines, July 20, $1 to $2 per annum.
Dominion Textile, com., July 2, $4 to $5 per annum.
Intercolonial Coal, c., July 3, 50c to $2 semi-annually.
Canadian Gen. Invest., com., July 16, 7½c to 10c quarterly
Waterloo Trust, com., July 3, $2 to $2.50 semi-annually.

Dividend Rate Reduced—
British Mtge. & Tr., com., July 3, $5 to $4 semi-annually.
Montreal Finance, 8% pfd., June 30, $1.50 to 75c semi-annually.
Real Estate Loan, com., July 3, $2.50 to $1.50 semi-annually.
Security Loan & S., com., July 3, $3.50 to $3 semi-annually.

Dividends Resumed—
Photo Engravers 50c, Sept. 1. Last paid June 1, 1932.
Marcus Loews Theat., pref., 1¾% June 30.
Barcelona Traction, 50c., June 30—Last paid Mar. 14, 1931.

Listed Bond Quotations

Week Ending June 23, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	High	Low
Mtl. L.H.&Pr. debs	3	1939	3.85	46	43½	46	47½	43½
Mtl. Trams	5	1941	5.12	..	99½	..	101	97½
Unlisted								
Cons. Paper	5½	1961	....	..	[illegible]	20	25	[illegible]

News of Canadian Mining Investments

The Week in Mining

Politically Organized Mines

THE Liberal landslide in the Ontario Provincial Election which completely blanketed the Northern Ontario mining areas, emphasizes more than ever that the mining industry must see to it that there are available on each party slate candidates especially eligible and fitted for the post of Minister of Mines.

Plenty of promising cabinet material was brought forth by the Election last week, but by coincidence not one member was elected who is intimately acquainted with the detail problems confronting the mining industry—third ranking industry in the province. Not only is it in the best interests of the province as a whole and the mining industry in particular that it should have its own representative as the Minister of Mines, but it might also prove desirable to combine the Department of Lands and Forests with the Department of Mines and thereby consolidate the principal northern resources into a smoother operating unit since their interests are inseparably tied, one to another. By such a move it should be possible to effect considerable savings in administration. Such duties would not be too onerous for a minister in the dual role of Minister of Mines, and Lands and Forests for by the simple expediency of deputies he could more effectively direct and solve the knotty problems that are presented in the existing system.

The Province of Ontario and the Federal Government have been singularly fortunate in past years in having as Ministers of Mines, representatives intimately conversant with the mining industry, although lawyers by profession. Still better would be a representative embracing the qualities of these two gentlemen plus the technical knowledge so manifestly important in mining.

In South Africa mining men have been successful in securing the election of some of their fraternity and thus obtaining a better hearing in legislation pertaining to mining.

It is unfair to mining or any other industry to have a cabinet minister presiding over it who is unfamiliar with that industry.

An intelligent cabinet minister irrespective of his particular training can within the tenure of office grasp the essential problems of the industry he represents, but if he knows his industry or field from the start, that is so much the better.

With mining becoming more and more the backbone of the country, mining men will have to cast aside their apathy towards politics and see that specially qualified members are elected to the provincial and federal houses. By nature mining men are pioneers and are accustomed to facing adversities unflinchingly and alone. With the mining operations far removed from the urban centres, the miner is largely divorced from politics, but politics have invaded mining, power and road-building to the extent that they can no longer be ignored.

South Keora Mines Seek Funds For Further Work

Negotiations are being conducted for the further financing of South Keora Mines owning 80 acres in Whitney township, Porcupine district, The Financial Post is officially advised. To date some 5,000 ft. of diamond drilling to a depth of 900 ft. and a shaft to a 250-ft. depth, together with 1,000 ft. of lateral work has been completed. The No. 1 vein has been explored on the surface for 600 ft. and shows widths up to 41½ ft., with commercial values, officials state, one of which averaged $6 in gold over a width of 41½ ft. The company reports that 1,755,000 shares out of the authorized capitalization of 3,000,000 shares are outstanding.

KIRKLAND HUDSON HAS LIQUID ASSETS TOTALING $345,094

Lake Shore is Extending Drift on No. One Vein Into Kirkland Ground

The sixteenth annual report of Kirkland Hudson Bay Gold Mines shows current assets of $345,094 as at April 30 last, including $159,285 in cash, $17,201 in accounts receivable, 4,800 shares of Lake Shore Mines at cost, 613 shares in Noranda Mines at cost and miscellaneous mining shares shown at $6,250. Current liabilities totalled $440. All of the 3,000,000 share authorized capitalization of the company is shown as outstanding.

The revenue and expenditure account for the year ended April 30 last showed revenue totalling $39,061 principally dividends and income from sales of town lots, while expenditures totalled $23,837.

A. A. McKelvie, president of the company, which owns property immediately adjoining Lake Shore Mines on the south, states that an arrangement has been made with the Lake Shore Mines to continue a drift on its No. 1 vein at a depth of 4,450 ft. into the Kirkland Hudson Bay ground.

Lake Shore Mines is in control of the Kirkland Hudson Bay through purchase of shares, but its exact holdings are not revealed.

H. G. YOUNG ELECTED TO WENDIGO BOARD

Report 1,143 Ft. of Lateral Work Discloses 893 Feet of Ore

Officials of Wendigo Gold Mines announced the election of a new board of directors, headed by Henry G. Tudor of Boston. Horace G. Young has been elected vice-president and managing director and will act as the company's consulting engineer. Other directors include A. J. Bolton, Toronto, and W. G. Cameron of Kenora.

The development programme is to be speeded up and the No. 1 shaft is to be deepened from 280 ft. to the 500 ft. horizon. To date three levels have been opened up and a total of 1,143 ft. of lateral work completed. Of this 893 ft. is in ore. A number of diamond drill holes are to be put up north and south on the No. 1 vein to treat parallel veins in this area of the No. 1 shaft.

Development to date, according to officials, has shown approximately one-half oz. gold per ton over a vein width of 36 inches with the east and west faces on the 200 ft. level in ore.

The company has been privately financed through F. J. Crawford & Co., and as at June 15, 1,515,000 shares out of the authorized capitalization of $2,000,000 in $1 par value shares were outstanding.

Application has been made for listing the stock on the Toronto Stock Exchange.

Operations Are Resumed At Stadacona Rouyn Mines

Operations have been resumed at the Stadacona-Rouyn Mines in Northwestern Quebec, following a temporary shut-down, while additional equipment was being installed. John B. DeMille, consulting engineer of the company, stated that the No. 2 vein on which work is now concentrated has a possible length of 1,300 ft. The last crosscut on the 300 ft. level showed the width at 15.3 ft. with samples assaying 13.73 per ton in gold. Diamond drilling showed the downward continuation of the mineralized zone to a depth of 925 ft.

Mining Personages in Canada

—Sketched from life by Evan Macdonald.

THOMAS FRASER SUTHERLAND

Acting Deputy Minister of Mines of Ontario, who after graduating in mining engineering at Queen's University thirty years ago started at the bottom of the ladder in British Columbia mines. Practical experience in all phases of mining makes him the understanding representative of the Government in administering the Department of Mines of Ontario.

T. F. Sutherland Steers Mines Minister's Hand

Ontario's Acting Deputy Minister of Mines Has a Backlog of Practical Experience to Guide Growing Department

Mining, with its production valued at $108,548,133 in 1933 and steadily overhauling manufacturing and agriculture as the most important industry in Ontario, has assumed new importance in provincial administrative affairs. Ontario's Department of Mines, while not the biggest spender, enjoys the distinction of being the most profitable department in the administration of Ontario's natural resources.

One hundred million dollars in anybody's money is big business and collecting the Government spoils from this production and directing the staff of Government geologists, mining engineers and research men, calls for a big business administrator.

Steers Minister's Hand

Elementary students of political economy recognize that while the Minister of Mines is the theoretical head of the department, he must have someone who knows the intimate particulars of the department and who can do the work for him. Ontario is in the unique position of having a Deputy Minister of Mines who has a man to do his work, a sort of deputy, called "Acting Deputy." His name is Thomas Fraser Sutherland, B.Sc.

Rotund, affable, popular and practical, with a spontaneous brand of good humor, he grasps the problems of the department as he meets the steady stream of callers to his office, sending all on their way convinced he is their friend and their mission will be justly considered.

Like most members of the Ontario Department of Mines he is technically trained, receiving his B.Sc. at Queen's University, Kingston, in 1904, the year of the big rush to the Cobalt silver camp. Had the black flies not been so bad he might have remained there to make his fortune as did several of his school mates, but in 1904 it was British Columbia, not Ontario, that was the great mining field. He gained his practical experience in the most menial jobs in mining in the various camps of British Columbia. At Greenwood, for instance, he was wheeling coke to the smelter, but he so excelled at this job that he was promoted to the assay office. Then the big moment came to start in business for himself and he established his own assay office catering to the prospectors and miners in the thriving camps, but unlike one assayer in the early days of Michipicoten he never succeeded in getting a $20 assay from a grindstone sample jokingly submitted by a prospector.

Follows the Rush

But mining ebbs and flows, as does the tide, and new fields come into importance. These attracted the youthful assayer. When the rush was on into the Portland Canal area of British Columbia and before the famous Premier and its million were known, he was searching the surrounding hills, seeking his fortune as a prospector. Stewart, the centre of activities at that time, was in the throes of a real estate boom which overshadowed mining. A few years later found him back in the Porcupine camp which was the latest gold rush to attract attention. In his travels in the western mining camp he attracted little of the moss of worldly fortune, but he had a wealth of practical experience to bring to Ontario's fast growing mining industry which he did in the capacity of Assistant Mines Inspector. But this was 20 years ago and as the department grew he grew with it. Next he was Chief Inspector of Mines, with all the responsibility that goes in enforcing mining regulations and safeguarding the mine workers, then in 1929 as Acting Deputy Minister of Mines for Ontario. "Acting" because Thomas Gibson, Ontario's veteran Minister of Mines was superannuated but given special dispensation that his broad experience might be retained for the fast growing department.

May Stop Acting

Premier-elect Hepburn is not concealing his feeling toward superannuated civil servants retaining office and it is, therefore, seen as probable that the Acting Deputy will stop his acting and get down to the serious business of running the department for the newly elected, but unnamed Minister of Mines.

Thomas Fraser Sutherland is a son of the manse, born in the Gaspé Peninsula, where early in Canada's history its mineral showings won attention but did not become commercial. Young Sutherland might have become a Presbyterian minister, like his father, had not his natural propensities dictated otherwise. However, the parental influence was sufficiently strong to send him to the Presbyterian centre of learning at Kingston and under the late Dr. Willit G. Miller he imbibed his first ken of the rocks. His application in this direction, however, did not entirely eradicate his early grasp of Gaelic. Of course, it may be only a coincidence that when Dr. Miller became provincial geologist Thomas Fraser Sutherland should swell the ranks of Queen's students in administering the affairs of the department.

In 1925 as chief inspector of mines he tasted the first perquisites of Government office by being sent to South Africa to study deep mining conditions there that he might better cope with the rising problems in Northern Ontario. On that occasion his prowess as a lion hunter might have won credence on his being welcomed home had not his insatiable thirst for literature proved his undoing, for a colleague and ardent reader of romantic stories found chronicled, years before, yet another narrative of lion hunts with the same identical and unusual experience as Mr. Sutherland had reported.

When the Ontario Mines Department was investigating the lignite fields of the James Bay Basin a couple of years ago there was frequent demand for — during the hunting season—the Acting Deputy's advice in the new fields. While his veracity is unquestioned his tales of the polar bear visiting camp, also that famous black bear Onakawana, are in the same class as his stories of the African lion hunt.

A Solomon's Wisdom

The serious side of administering the growing Mines Department calls for the wisdom of Solomon. The rapid strides of the mining industry in Canada and Ontario bring many questionable finds. To ignore them might mean passing up the nucleus of another Porcupine or Kirkland Lake. Each area is carefully investigated and the findings made public information. It is probably natural that Ontario, the largest mining province in the Dominion, purveys its information on developments and production as does no other province and investors so disposed may find authentic information as an answer to their enquiries, while a galaxy of bulletins record the ever-broadening effort on Ontario's mining frontier.

KIRKLAND LAKE LOWEST LEVEL HAS 315 FT. ORE

Developments in Foot Wall Disclose Largest Ore Shoot to Date

After 15 years of productive effort, during which time recovery has little more than paid operating and development expenses to the deepest workings of any mine in the Dominion, Kirkland Lake Gold Mining has struck the largest oreshoot in its history on its lowest or 5,450-ft. level.

For many months past satisfactory developments on the low level have been chronicled, while the limited work has gradually unfolded a picture that Dr. J. B. Tyrrell, president of the company, regards as the most promising in the long struggle to put the property in the dividend class. Initial developments on the 5,450-ft. level, following the main break of the camp east and west of the crosscut from the winze, were of a distinctly discouraging nature and it was not until short crosscuts put out at either end of this drift into the footwall that the ore was encountered.

A flat diamond drill hole 75 ft. south from the 3,450 ft. level passed through silicified porphyry, the most massive ever encountered in the mine. Dr. Tyrrell stated that the core showed more quartz than had been encountered over similar widths in the mine.

Ore Length 315 ft.

Not being pressed for ore the new development has been carried forward rather slowly, but to date 315 ft. of ore averaging at least 12 ft. in width has been encountered in the footwall at the contact between the porphyry and the lamprophyre. At the present time it is impossible to appraise the average grade of the ore or its true width. From assay plans The Financial Post can say that some phenomenally rich ore has been encountered. Obviously, it is not all of this grade, but distinctly above the mine average. Officials will not admit that they regard the new developments as revolutionary or that the mine is made or that they are on top of a big ore shoot, such as characterized the adjoining Teck-Hughes property on the east, but are free to confess that it is the best showing yet encountered in the mine and one that provides a distinctly interesting area for development.

Shaft Deepened to 5,850 ft.

The shaft has been deepened to the 5,850-ft. level where a station is being cut. Two other levels will be established between the 5,450-ft. horizon. Inasmuch as the shaft passes through the ore, new station levels will be established on each side of the shaft, with the result that there will be little or no crosscutting to reach the ore zone.

At the present time a raise is being put up from the 5,450-ft. level to the 5,000-ft. level where there are duplicate exit facilities and a free circulation of air, with the result that it is claimed that the air on this level is as fresh as in any part of the mine. With the raise completed, which will be in a few days, ventilation will be provided for the lower horizon and will enable a more rapid development of this area. To date no ore, other than that encountered in development, has been drawn from the deepest levels. Notwithstanding this the production of the plant has been doubled in ounces of gold produced in recent months. In the three months ended March 31, 1934, the mill averaged 154 tons daily. This has been stepped up to 200 tons daily and millheads which averaged .3 oz. gold per ton in the frst quarter have been substantially increased, in all to give the effect of doubling the normal quantity of gold produced.

As promised at the annual meeting, a complete engineering report is to be made available to the shareholders. To this end V. H. Emery, B.Sc., and Prof. Stanley Graham, of Queen's University, are leaving for the property at once and will make a complete report on operations that shareholders may have expert opinions as to the efficiency with which the property is developed. It is not expected that this report will be available for some time.

St. Anthony Gold Pours First Brick For Visitors

With the visit of officials to the property of the St. Anthony Gold Mines in the Thunder Bay district an initial brick was poured in commemoration of the occasion. Officials state that the actual value of the brick is not yet available, but that the mill is handling about 70 tons per day and will be steadily increased to a capacity of 125 tons daily. Millheads are reported to average betwen $8 and $9 per ton during the initial tune-up period. The mine is being pumped out to the 250 ft. level and developments on the lower horizons will be resumed.

Yellow Knife Financed Through B.E.A.R. Rights

Yellow Knife Gold Mines, incorporated in April last, is being financed through the offering of rights to shareholders of Bear Exploration & Radium to subscribe for treasury shares at 20 cents each. As at May 31, 1934, 1,558,607 shares were outstanding out of the authorized capitalization of $3,000,000 in $1 par value shares.

At the company's property, comprising approximately 1,500 acres 30 miles up the Yellow Knife River from Great Slave Lake, a preliminary development programme, comprising stripping, trenching and pitting is under way. Major L. T. Burwash is president and field manager for the company.

START EXAMINATION OF ROBB MONTBRAY

Dr. W. F. James Starts Study of Geological Features Report in September

Following out the decision of the directors of Robb-Montbray Mines, elected at the annual meeting last April, Dr. W. F. James, well-known Canadian geologist, together with his staff has started an examination at the property in Montbray township, Quebec, toward making a comprehensive report.

The first step to this end is dewatering the shaft which has been sunk to a depth of 525 ft. Underground sampling will be done and geological features studied. On the surface geological mapping will be undertaken as well. It is expected that it will be September 1, before a comprehensive report will be available by Dr. James for presenting to the directors headed by Robert A. Bryce, president and general manager, for their decision as to the future policy of the company.

The company has some $100,000 in its treasury to conduct an exploration programme if deemed advisable and supplement the work done prior to January, 1929, when operations were suspended owing to inconclusive results. The present price of gold has altered the economic situation respecting the merits of low grade properties materially with the result that Robb-Montbray's possibilities are being further considered.

Diamond Drilling Starts At Astoria Rouyn Mines

A financial statement by Astoria Rouyn Mines, dated May 1, 1934, shows current assets of $51,023 with liabilities nil. The company's property, comprises 310 acres adjoining Granada Mines on the north in Rouyn township and 400 acres in Louvrecourt township. Diamond drilling is presently under way at the Rouyn township property where a contract has been let for approximately 2,000 ft. with work centred on drilling between two discoveries some 1,400 ft. apart. The company is headed by J. E. Tanguay as president and Senator Georges Parent as vice-president, both of Quebec City.

Sonora Gold Mines Await Funds For Development

Sonora Gold Mines with four groups of properties on Sonora Island, 120 miles up the coast from Vancouver, reports it is awaiting capital to proceed with development. To December 31 last $9,888 had been spent on the property by the present company. As at December 31 last current assets totalled $8 and current liabilities $2,668. Since that time treasury shares issued at five cents each have wiped out the indebtedness. Out of the authorized capitalization of 2,500,000 shares of 25 cents par value 1,166,970 are outstanding.

Reward Mining Meet Re-elects Old Board

At the annual meeting of shareholders of Reward Mining Co. held in Vancouver, the existing board of directors, headed by Gen. J. Duff Stuart, president, was re-elected. It was also announced that the Bond group of four claims adjacent to the Butte I.X.L. in the Bridge River area was purchased, and at the company's property in the Arrow Lake district, a small group under C. S. Lord, geologist, is at work.

The balance sheet as at April 30, 1934, showed current assets of $14,786. In addition there was $94,923 due on properties sold. No liabilities were reported.

From $16,000,000 to $100,000,000

TWENTY years ago, gold production in Canada amounted to $16,000,000 for the year. In 1934, total gold production will have an estimated value, at the present price of gold, of $100,000,000, while dividend payments are expected to exceed $30,000,000. To Canada's gold production this year, over 30 new mines will make their contribution.

The high measure of prosperity attained by the gold mining industry has been a primary factor in enabling Canada to surmount the most trying period in her economic history. The creation of $223,000,000 of new wealth in gold in the Dominion in the past four years proved an important contribution to our national welfare.

The position of the gold mining industry in Canada was assured under the standard value of gold at $20.67 an ounce. With gold at $35 per ounce, its position is further strengthened, progress accelerated, and the return to investors correspondingly increased.

For some time past we have given careful thought and study to this industry in the belief that no Canadian investment house with an interest in all phases of the development of Canada's natural resources can fail to realize the importance of gold production in Canada. As a result of careful investigation by experienced and conservative engineers and geologists we recently sold, privately, to our clients 500,000 shares of Pickle Crow Gold Mines at market prices ranging from 70c. to 90c. per share. The current market price of the stock is $1.65 to $1.70.

It is our intention, as opportunity affords, to offer to our clients the shares of other mining companies whose properties have been opened up and developed to some extent, but only after a careful investigation has been made for us by an experienced and conservative engineer and geologist.

NESBITT, THOMSON
and Company Limited
38 King Street West, Toronto

Branches in all the principal cities of Canada

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We offer subject to prior sale and allocation

300,000 SHARES

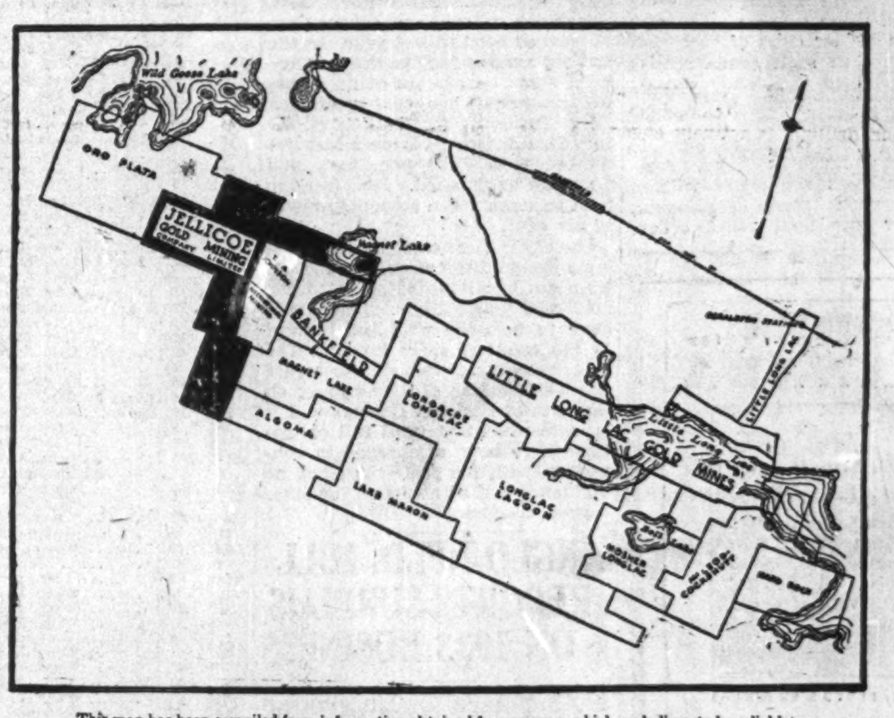
JELLICOE GOLD MINING COMPANY LIMITED
(No Personal Liability)

CAPITALIZATION

Authorized		3,000,000 shares
Issued for Properties	1,000,000	
Issued for Cash (of which this offering forms part)	500,000	1,500,000 shares
Balance in Treasury		1,500,000 shares

Head Office: 85 Richmond St. W., Toronto

Registrar and Transfer Agents: Trusts & Guarantee Co. Limited, 302 Bay Street, Toronto



This map has been compiled from information obtained from sources which we believe to be reliable, but its accuracy is not guaranteed.

PROPERTIES—The Company owns a total of 29 claims outright and has a further five contiguous claims under option, on favorable terms, in the Little Long Lac gold mining area. These claims lie adjacent to the property of Bankfield Mines Limited and other well known operations in the area. The whole group of properties lies astride both the north and south ore zones of the Little Long Lac area, as indicated by development work to date. The properties have a total depth across the structure of approximately three miles and their width varies from two to five claims.

DEVELOPMENT—A crew of approximately ten men is now on the property engaged in stripping and trenching and a diamond drilling contract has been entered into. Developments will be rushed during the present season. The management of these operations is in the hands of the Oro Plata Mining Company Limited, who are also managers for several other well known properties in the area. Oro Plata have five engineers, an assay office, two light drills and complete supplies and staff on the ground for effectively carrying out mining operations. Camps have been erected on the Jellicoe property.

FINANCES—The Company starts operations with $75,000 cash and half of its stock remaining in the treasury.

DIRECTORS AND OFFICERS — *K. F. MacLaren, Pres., S. G. Tobin, Vice-Pres., Leslie Bell, K.C., M.P., John B. Laidlaw, T. J. Day, Solicitor, Glen. N. Wilton, Secretary, John A. MacFadyen, Treasurer.*

These shares are offered as a representative speculation in the Little Long Lac Camp.

Offering Price 20c. Per Share

This offering forms part of a block of 500,000 treasury shares which have been firmly underwritten to net the treasury $75,000 and consequently the proceeds of this offering will not go into the treasury.

APPLICATIONS FOR SHARES may be made to the undersigned or to your own broker. All subscriptions will be subject to prior sale and allocation and the right is reserved to reject any applications and to close the books at any time without notice.

STEWART, McNAIR & CO.,
Members, The Toronto Stock Exchange
255 Bay Street, TORONTO Elgin 0421
Pigott Building, HAMILTON Regent 1048

K. F. MacLAREN & COMPANY, Ltd.
Investment Dealers
85 Richmond Street West, TORONTO, Elgin 6289

The above information has been obtained from reliable sources but is not guaranteed by us.

ENGLISH GROUP TAKE INTEREST IN SCOTIA GOLDS

Consolidated of South Africa Will Spend Money on Properties

From Our Own Correspondent

MONTREAL.—Consolidated Goldfields of South Africa have entered the Nova Scotia gold fields through the incorporation of a subsidiary company, known as Minerals Ltd. The latter has a capitalization of $250,000 and is headed by R. Douglas Graham, K.C., a Halifax lawyer who is interested in a number of mining properties throughout the province.

For the immediate future Minerals Ltd., will confine its mining operations on two large gold properties—the Boston Richardson at Goldbrook and Cochrane Hill near Sherbrooke, in Guysboro County. Both properties have been dewatered and preparations for underground work are under way.

Will Do Field Work

In the surrounding territory geological field work will be carried out. The Nova Scotia Department of Mines has extended special licenses covering several tracts near the mines, which are to be explored for gold.

There will be no public offering of stock in Consolidated Goldfields' Canadian subsidiary. All of the capital has been put up by the parent company which has plans for the expenditure of large sums of money on Nova Scotia's gold properties dependent upon the results achieved over the next twelve months.

Early Michipicoten Mine Gets Kennedy-Nutt Mill

The recently formed Amalgamated Mills & Mines has taken over on an option agreement the property of the Guelph Mining & Development Co., one of the earliest stakings in the Michipicoten district of Ontario, adjacent to the Parkhill Gold Mines. Plans call for the installation of a 25-ton mill.

Amalgamated will act in the capacity of managers of the property and has an option on practically all the 1,000,000 shares authorized by Guelph Mining & Development. Some 400,000 shares were issued to the vendors of the property and for previous development.

The object of Amalgamated is to undertake the further development of properties having apparent merit and equip them with a small Kennedy-Nutt ball mill designed by John Nutt, president of Amalgamated.

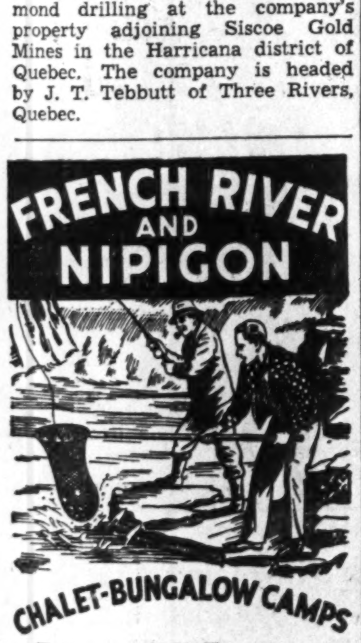
It is understood that Amalgamated has a number of properties under consideration that are being investigated to determine their merit.

Jellicoe Gold Mining Co. Starts Exploratory Work

A programme of surface exploration, preparatory to a campaign of diamond drilling, is actively engaging Jellicoe Gold Mining Co., one of the newer mining operations in the Little Long Lac Area. A drilling contract has already been let company officials state. Development work is being carried on under the supervision of the Oro Plata Mining Co. Two light drills and sufficient supplies necessary to carry on exploratory work are already on the property, while camp buildings have been constructed to accommodate a crew of men.

Shaft Sinking Under Way At Dorval-Siscoe Mines

Official advice from Dorval-Siscoe Gold Mines states that shaft-sinking is now being undertaken, following up the 5,000 ft. of diamond drilling at the company's property adjoining Siscoe Gold Mines in the Harricana district of Quebec. The company is headed by J. T. Tebbutt of Three Rivers, Quebec.



7 Days—All Expenses
Toronto—French River and Return $50

Fighting black bass, "muskies," "wall-eyes" and pickerel. Canoeing, swimming, tennis, and good golf. Snug, screened-porch bungalows — central club house; log cabin camp at Pine Rapids. French River Station on the Canadian Pacific, is only 215 miles north of Toronto.

9½ Days—All Expenses
Toronto—Nipigon River and Return $85

Nipigon and St. Ignace Island provide square-tailed trout fishing unequalled elsewhere. Also tennis, swimming, canoeing, dancing and all summer diversions. Nipigon Camp station on the Canadian Pacific is 22 hours by rail from Toronto; or you can go by boat on the Great Lakes.

Full information from Wm. Fulton, Asst. General Passenger Agent, King and Yonge Sts., Toronto. 161

Travel **CANADIAN PACIFIC**

Mining Stock Quotations

Week Ending June 26

Par Val.	Range 1933 High	Low	Company	Sales	Close June 18 (or last)	High for week	Low for week	Close June 25
1	.06	.01	Aconda	6,000	.01½	.02	.01½	.02
No	.33	.13	Aldermac	32,430	.21	.21	.20	.21
1	.10	.02¼	Alexandria	16,100	.04¾	.04¾	.04½	.04½
No	.18	.09	Algoma	12,900	.13	.13	.10	.12
1	.04	.01¾	Amity Copper	50,500	.02¼	.02¾	.02	.02¼
No	4.00	2.00	Anglo-Huronian	2,318	3.80	3.80	3.75	3.80
1	.08½	.03	Area	18,100	.04½	.04	.03½	.03½
No	.20	.03	Arno	500	.04	.03	.03	.03
1	1.25	.74	Ashley	3,400	.76	.80	.75	.80
1	.60	.04	Bagamac	88,500	.11½	.11½	.11	.11
1	.04½	.00¼	Baldwin	17,000	.02	.02¼	.02	.02
1	.22	.10	Barry Hollinger	18,750	.12	.12	.10	.10
1	2.05	1.20	Base Metals	5,500	1.33	1.35	1.20	1.20
5	.91	.20	B.E.A.R.	18,200	.23	.22	.20	.21
1	.51	.26½	Big Missouri	14,765	.30	.30	.27	.28
1	.64½	.23	Bobjo	55,336	.54	.55	.47	.48
1	3.55	2.40	Bradian	2,658	3.15	3.55	2.75	3.50
No	15.50	9.90	Bralorne	12,968	14.80	15.25	14.75	14.90
1	.16	.05	Brett Trethewey	2,700	.05¾	.05½	.05½	.05½
50c	1.40	.28½	Bridge River Ex.	63,325	.97	1.10	.75	1.01
1	.09	.01½	Brownlee	24,350	.02¾	.03	.02½	.02½
1	.02½	.00¾	Buckingham	13,500	.01	.01	.01	.01
1	2.50	1.90	Buffalo Ankerite	6,025	2.30	2.25	1.90	2.20
No	.14	.06	Buffalo Can.	103,100	.09	.11	.06	.09½
5	34.50	23.50	Bulolo Gold	345	30.25	32.00	31.00	32.00
No	.05½	.01½	Bunker Hill	84,900	.02¾	.03	.02½	.02¾
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	......	.05	.....	.....	.....
1	.20	.06	Can. Kirkland	22,500	.07½	.07½	.06	.06½
No	.72	.38	Can. Malartic	9,985	.58	.60	.56	.56
1	.02¾	.00½	Capital Rouyn	52,000	.01½	.01½	.01	.01
1	2.85	1.00	Cariboo Gold	20,970	1.20	1.58	1.00	1.35
1	.09	.01	Cartier Malartic	8,900	.04¾	.04½	.04	.04½
1	.81½	.49	Castle Trethewey	17,960	.55	.56	.52	.54
1	.16	.07	Cen. Manitoba	9,200	.08	.08½	.08	.08¾
1	.79	.54	Cen. Patricia	30,400	.69	.73	.68	.71½
No	.16½	.05½	Chibougamau Pros.	150,850	.13½	.15	.13½	.14¾
No	.15½	.05	Church. M. & Mill.	31,000	.06	.07	.06	.06
No	.14	.06½	Clericy new	7,625	.08	.08	.07	.07
1	.03½	.01	Clifton Cons.	7,000	.01½	.01¾	.01¾	.01¾
5	5.75	4.00	Coast Copper	......	4.00	.....	.....	.....
1	.06¾	.03½	Cobalt Contact	10,500	.04	.04	.03½	.03½
1	.94½	.28	Columario	18,570	.32	.31	.29	.29
5	2.45	1.35	Coniagas	1,600	2.05	2.05	2.00	2.00
No	1.60	.97	Coniaurum	2,294	1.40	1.42	1.35	1.40
25	170.25	132.00	Cons. Smelters	882	153.00	153.00	147.00	147.50
No	44.75	32.25	Dome Mines	4,050	44.25	44.75	42.85	43.25
No	.07½	.02	Dom. Explorers	5,550	.03	.03	.02	.03
1	.02¾	.00¾	Dominion Kirk.	11,000	.01½	.01½	.01	.01½
1	.02	.00½	Don Rouyn	......	.00½	.....	.....	.....
1	.17½	.01	Duparquet	55,330	.12	.13½	.12	.12
1	4.40	2.10	Eldorado	18,205	2.33	2.34	2.15	2.15
No	4.15	3.00	Falconbridge	2,965	3.61	3.68	3.50	3.50
1	.11½	.01¾	Federal	10,200	.04	.04	.03¾	.03¾
No	.07	.02¾	Gilbec	15,000	.03½	.04	.03¾	.03¾
No	1.75	.70	God's Lake	73,485	1.66	1.75	1.61	1.71
1	.20	.08	Goldale	31,450	.18	.18	.15	.15
50c	.46	.42	Gold Belt	......	.42	.....	.....	.....
10	.57	.16	Goldfield	......	.25	.....	.....	.....
1	.43	.17	Goodfish	1,620	.21	.19	.17	.18
1	.18½	.02½	Graham Bosquet	58,550	.12	.11½	.09½	.09½
1	1.09	.58	Granada	8,045	.60	.61	.59	.59
No	.53	.34	Grandoro	14,700	.40	.42	.34	.42
1	1.22	.66	Greene Stabell	74,590	.85	.85	.75	.75
1	.18	.05	Grozelle	......	.09	.....	.....	.....
1	.48	.17	Grull Wihksne	2,700	.20	.18	.17	.17
1	1.85	1.28	Gunnar Gold	15,950	1.78	1.79	1.64	1.67
1	.53½	.16½	Halcrow Swayze	26,975	.20½	.20	.16½	.16½
1	.15	.03¾	Harker	144,329	.11	.11¾	.10	.11¾
1	.02½	.00¾	Hilltop	6,500	.00¾	.00¾	.00½	.00¾
5	19.50	11.40	Hollinger	6,451	17.75	17.80	17.25	17.45
1	1.40	.93	Howey Gold	30,620	1.35	1.35	1.29	1.32
No	14.50	9.00	Hudson Bay	3,221	13.60	14.10	13.60	13.60
1	14.25	10.45	Inter. Mining	100	13.25	13.30	13.30	13.30
	6.25	4.00	Do., Pur. Warr.	......	5.50	.....	.....	.....
No	29.00	21.15	Int. Nickel	14,853	26.50	26.75	25.00	25.00
1	.43	.28	J. L. Cons. Gold	102,290	.35½	.43	.36	.42
1	.03	.00¾	Keora Mines	1,500	.01¾	.01½	.01½	.01½
1	.73½	.45	Kirk. Hud. Bay	2,100	.70	.70	.66	.66
1	.05	.00½	Kirk. Hunton	11,500	.02	.02	.01½	.01½
1	.76	.29	Kirkland Lake	83,495	.50	.58	.49	.54
1	.40½	.21	Kirk. Townsite	4,600	.27	.27	.26	.26
20c	.02¾	.01½	Koot. Florence	5,000	.00¾	.01½	.01½	.01½
1	.23	.03½	Lakeland	11,300	.04	.04½	.03½	.03½
No	.18	.07	Lake Maron	36,600	.09½	.09¾	.08	.09
1	54.50	42.00	Lake Shore	2,853	53.00	53.25	52.70	52.85
1	.03	.01	La Rose	......	.01	.....	.....	.....
1	.26	.08	Lebel Oro	295,550	.17½	.18¾	.14	.16¾
No	.22	.10	Lee Gold	20,050	.14	.14	.10	.11½
No	6.10	4.05	Little Long Lac	37,125	5.40	5.50	4.80	5.15
1	3.05	1.85	Macassa	20,340	2.53	2.54	2.40	2.43
1	.08½	.01½	Malrobic	19,800	.04½	.04½	.03½	.03½
No	.17	.06	Mandy	5,500	.10	.10	.09	.10
	.25	.21½	Manitoba and East	46,900	.....	.25	.21½	.22½
1	1.00	.30	Maple Leaf	38,550	.31	.32	.30	.32
5	50.00	39.25	McIntyre	1,346	49.25	49.25	47.00	47.40
1	1.64	1.01	McKenzie R. Lake	24,970	1.55	1.58	1.50	1.55
1	.60	.50	McKinley	25	.55	.60	.60	.60
No	.06¾	.01½	McLeod River	93,400	.05½	.05½	.05	.05½
1	.73	.39	McMillan	48,100	.65	.70	.66	.66
No	.53	.25	McWatters	9,400	.37	.38	.31	.31
1	1.21	.46	McVittie	17,950	.52	.54½	.52	.52
5	1.50	1.25	Mentor Exp. & Dev.	......	1.25	.....	.....	.....
No	2.47	1.60	Mining Corp.	4,740	1.85	1.99	1.85	1.90
1	.08½	.02¾	Moffatt Hall	34,000	.05½	.05½	.05	.05
1	.20	.08¾	Moneta	9,100	.15	.16	.14½	.15
1	.04	.01¾	Murphy	17,600	.02	.02½	.02	.02
No	.09½	.02	Newbec	11,500	.04	.04¾	.03¾	.03¾
1	.06¾	.03	Night-Hawk Penn.	5,500	.04	.04	.03¾	.03½
5	2.82	2.00	Nipissing	3,562	2.35	2.35	2.20	2.30
No	45.05	33.25	Noranda	5,556	44.00	43.75	42.50	42.60
No	.54	.24½	Nor. Canada	15,200	.25	.33	.24½	.29
1	.27	.10	Osisko	600	.11	.11	.11	.11
1	.72	.36	Parkhill	37,075	.42	.44	.39	.42
1	.06	.01½	Pawnee Kirk.	2,600	.03	.03½	.02	.02
1	.31½	.19	Paymaster	59,100	.23	.24	.21	.22
1	1.40	.71	Pend Oreille	2,900	.72	.74	.71	.72
1	.05½	.02½	Peterson Cobalt	3,800	.03	.03	.02½	.02½
1	1.66	1.40	Pickle Crow	50,046	.....	1.66	1.40	1.52
1	14.15	10.75	Pioneer Gold B.C.	2,905	13.85	14.00	13.00	13.00
1	.08½	.01¾	Porcupine Crown	14,000	.05	.04¾	.04¾	.04½
	.02	.00¾	Porc. Gold Reef	......	.01¾	.....	.....	.....
1	.03	.00¾	Potter Doal	4,500	.01¾	.01½	.01	.01
1	1.75	1.02	Premier Gold	6,775	1.25	1.31	1.18	1.21
1	.06¾	.01½	Preston E. Dome	16,500	.04½	.04½	.04	.04
No	.60	.30	Prospectors Air's	......	.40	.....	.....	.....
1	.70	.15	Quebec Gold	23,875	.15½	.16	.15	.16
No	.15	.05	Quemont	......	.07½	.....	.....	.....
1	1.65	.27	Read Authier	143,960	1.40	1.65	1.33	1.63
1	1.29	.79½	Reno	9,050	.84	.85	.79½	.81
1	.02¾	.00¾	Ribago	7,500	.01½	.01½	.01	.01
1	.05½	.01½	Ritchie	6,000	.02½	.02½	.02½	.02¾
1	.11½	.01½	Robb Montbray	117,100	.08	.07½	.06½	.07½
1	5.55	1.75	San Antonio	34,459	5.15	5.30	4.90	4.95
1	1.43	.92	Sherritt Gordon	9,771	1.00	1.00	.92	.96
1	2.64	1.43	Siscoe	51,255	2.38	2.42	2.30	2.35
1	.07½	.02½	South Keora	......	.04½	.....	.....	.....
No	.26½	.09½	South Tiblemont	77,750	.14	.16	.13	.13
No	.45	.08½	Stadacona	125,535	.39½	.40½	.36	.39
1	.65	.31	St. Anthony	65,712	.61	.64	.58	.58
No	2.00	1.00	Sudbury Basin	3,455	1.70	1.75	1.61	1.61
1	.16½	.07	Sudbury Contact	8,500	.08½	.09½	.08	.08
1	.11½	.00¾	Sudbury Mines	47,100	.08½	.08¾	.08	.08
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.54	.45	Sullivan Cons.	11,000	.53	.54	.50	.50
1	.50	.25	Sullivan Gold	32,585	.46½	.47	.40½	.45
1	3.20	1.29	Sylvanite	20,563	2.78	2.83	2.65	2.67
1	8.05	5.75	Teck Hughes	16,210	6.70	6.80	6.40	6.65
1	.59	.20	Thom. Cadillac	16,650	.47½	.49	.47	.47
1	.76	.26	Towagmac	4,150	.51	.51½	.47	.50
1	.85	.35	Treadwell	400	.47	.45	.45	.45
1	.25	.18	United Kirkland	......	.25	.....	.....	.....
No	.02½	.01¾	Vacuum Gas	13,000	.01½	.01¾	.01¾	.01¾
No	1.12	.77	Ventures	12,735	.92	.90	.88	.89
1	.03½	.01½	Vickers	8,000	.01¾	.01¾	.01½	.01¾
No	1.53	1.02	Waite Amulet	4,262	1.10	1.10	1.02	1.02
50c	.50	.10	Wayside	760,060	.17½	.16	.10	.12½
1	.43	.24	White Eagle	30,505	.27	.27	.24	.25
1	.07½	.03½	White Lake	1,000	.03½	.03¾	.03¾	.03¾
1	.18	.07	Wiltsey Coughlan	11,600	.12	.11½	.10	.10
1	.20	.05	Wood Kirkland	4,000	.14	.14	.13	.13
No	10.25	6.75	Wright-Hargreaves	5,921	9.65	9.70	9.20	9.20
			OIL STOCKS					
No	.33	.17	Acme Gas & Oil	16,580	.23	.23	.22½	.23
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	1.02	Ajax	1,800	1.08	1.12	1.08	1.12
1	.25	.11	Alta. Pacific	3,040	.13½	.13	.11½	.11½
No	.35	.18	Associated	7,220	.20	.20	.18	.18
No	.13	.05	Baltac	3,000	.05½	.05	.05	.05
No	1.60	.73	Calgary & Ed.	5,760	.80	.85	.73	.85
1	.15	.06	Calmont	3,600	.07½	.08	.07½	.07½
1	.12	.06	Common. Pete	......	.08	.....	.....	.....
No	.65	.32	Dalhousie	3,379	.35	.35	.32	.32
No	.30	.10	East Crest	1,100	.15	.15	.14	.15
No	.58	.09	Erie Gas	......	.13	.....	.....	.....
No	.75	.32	Foothills	......	.35	.....	.....	.....
No	1.90	1.12	Home	2,715	1.28	1.25	1.16	1.16
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.17	.12	Homestead O. & G.	25,100	.15	.17	.14	.14
No	.44	.16	Lowery	500	.16	.20	.20	.20
No	.42	.20	Merland	4,475	.20	.29	.22	.29
1	.48	.10	Midwal	500	.32	.10	.10	.10
5	.17½	.09	Nordon	7,000	.10	.11	.09½	.09½
No	.09	.04	Oil Selections	9,000	.04½	.04½	.04	.04
No	.34	.17	Olga Gas & Oil	2,600	.18	.19	.17	.17
No	1.10	.75	Petrol Oil & Gas	500	.80	.75	.75	.75
No	19.55	14.00	Royalite	202	15.20	15.25	14.00	14.00
1	.13	.07	Sarnia Oil	3,500	.07½	.08	.07	.07
No	.17	.07	South West Pete.	800	.10	.07	.07	.07
No	.97	.63	Wainwright West	9,400	.76	.75	.68	.71

VANCOUVER STOCK EXCHANGE
(Transaction for Week to June 20.)

Par Val.	Range 1933 High	Low	Company	Sales	Close June 13 (or last)	High for week	Low for week	Close June 20
1	.09¾	.04½	Alexandria	5,500	.04½	.05	.04½	.04½
25c	.03¾	.01	Bayview	6,000	.01¾	.01½	.01½	.01¾
20c	.08¾	.03	Beaver Silver	5,000	.03½	.03½	.03½	.03½
25c	.03½	.02	Bluebird	......	.02½	.....	.....	.....
1	3.20	2.10	Bradian Gold	8,530	2.95	3.20	2.95	3.12
No	15.00	9.85	Bralorne	2,113	14.60	15.00	13.75	14.80
1	.48	.17	Bridge River Cons.	67,850	.29½	.29	.17	.23
50c	1.28	.28	Bridge River Exp.	78,800	1.02	1.03	.75	.90
50c	.27	.19	B. R. Mountain Gold	.....	.22	.....	.....	.....
100	99.00	99.00	B. C. Electric, pref.	......	99.00	.....	.....	.....
1	1.76	.51½	B. C. Nickel	105,280	1.09	1.10	.75	.87
1	1.25	.90	B. C. Silver	......	.....	.....	.....	.....
50c	.29	.16	Butte I.X.L.	16,800	.18	.20	.16	.19
1	.24	.18	Can. Rand	5,450	.20	.21	.20	.20
1	2.90	1.00	Cariboo Gold	15,630	1.27	1.39	1.00	1.06
No	12.60	8.75	Coast Breweries	761	11.75	12.00	11.25	11.00
1	.45	.20	Congress Gold	500	.22	.20	.20	.20
25c	.02	.00¾	Cork Province	......	.00¾	.....	.....	.....
1	.08	.05	Cotton Belt	2,000	.06	.05	.05	.05
1	.06	.01½	Dalhousie Mines	6,500	.02½	.02½	.02	.02½
No	2.07	.25	Dentonia	73,630	.60	.75	.48	.56
1	.45	.18	Dunwell	1,520	.25	.23	.18	.18
No	.44½	.14	Fairview Amal.	4,200	.16	.17	.14	.14½
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.30	George Copper	......	.31	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.02	.....	.....	.....
1	.06¾	.01½	Georgia River	26,330	.01½	.01½	.01½	.01½
50c	.08	.01	Glacier Creek	2,000	.05	.04½	.04	.04
1	.63	.35	Golconda	4,600	.39	.38	.37	.37
5c	.20	.13	Golconda Ex.	300	.17½	.13	.13	.13
50c	.63½	.27	Gold Belt	7,450	.41½	.44	.40	.40
50c	.51	.30	Gold Mountain	1,450	.33	.34	.30	.34
50c	.06	.02½	Grandview	4,500	.03	.02½	.02½	.02½
No	.35	.18	Grange Mines	12,468	.22	.29	.20	.24½
1	.50	.15	Grull Wihksne	39,950	.22	.24	.15	.17
No	.16	.08	Haida Gold	......	.10	.....	.....	.....
	.26	.20	Hedley Amal.	5,100	.20	.22	.20	.21
No	.29	.14	Hedley Sterling	1,000	.16	.14	.14	.14
1	.09½	.04	Hercules Cons.	43,800	.06½	.07	.04	.04
No	.28	.07	Home Gold	43,950	.12½	.16	.11½	.11½
1	.04	.01	Independence	14,000	.01¾	.01¾	.01¾	.01¾
1	.04	.01½	Indian Mines	......	.02½	.....	.....	.....
1	.15½	.10	Inter. Coal	1,000	.15	.15½	.15½	.15½
1	.42	.29	Jack Waite	......	.38½	.....	.....	.....

Par Val.	Range 1933 High	Low	Company	Sales	Close June 18 (or last)	High for week	Low for week	Close June 25
50c	.65	.19	Kootenay Belle	9,750	.51	.53	.48	.48
25c	.02	.00½	Kootenay King	1,500	.01	.00½	.00½	.00½
25c	.01½	.00½	L. & L. Cons.	......	.01	.....	.....	.....
1	.01½	.00½	Lakeview	......	.01	.....	.....	.....
No	2.95	2.40	Little Long Lac	......	2.95	.....	.....	.....
10c	.06	.03	Lucky Jim	......	.03	.....	.....	.....
No	.40	.11	Mak Siccar	1,200	.25	.24	.23	.23
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	.33	.09	Meridian Min.	60,400	.12	.11½	.09	.10½
5c	.04	.03¾	Metaline Metals	......	.03¾	.....	.....	.....
No	.85	.13	Minto Mines	129,200	.29	.29½	.19	.23
25c	.01½	.00½	Mohawk	......	.01½	.....	.....	.....
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.20	Morning Star	23,150	.27	.27½	.20	.22
1	.05½	.01½	Morton Woolsey	2,750	.01¾	.02	.01¾	.01¾
50c	.09	.03½	National Silver	13,400	.03¾	.03¾	.03½	.03¾
1	.13	.03	Native Sons	11,000	.03	.03¾	.03	.03¾
50c	1.36	.50	Nicola	60,635	.55	.61	.54	.58
50c	.17	.08	Noble Five	28,400	.09	.09	.08	.08½
No	.19½	.10	Norgold	30,300	.18¾	.18½	.15½	.15½
1	.54	.12½	Pavilion	......	.48	.....	.....	.....
1	14.25	11.00	Pioneer Gold	2,591	13.75	13.85	13.25	13.50
50c	.18	.08	Porter Idaho	1,000	.09	.08	.08	.08
No	.02½	.01	Premier Border	27,500	.01	.01	.01	.01
No	.25½	.10	Princess Royal	......	.10	.....	.....	.....
1	.06	.03	Quatsino Copper	1,000	.04	.03	.03	.03
50c	.10	.06	Red Hawk	1,000	.08	.10	.10	.10
No	.27	.09	Reeves McDonald	......	.16½	.....	.....	.....
1	1.25	.80	Reno Gold	9,200	.82	.88	.80	.82
1	.15	.07	Reward Mining	13,000	.07½	.07½	.07	.07¾
No	.27	.13	Richfield Cariboo	5,000	.15	.13	.13	.13
1	.08½	.01	Rufus Argenta	521	.01½	.02½	.01½	.02½
1	.05	.02	Ruth Hope	......	.02	.....	.....	.....
1	.55	.27	Sally Mines	500	.34	.34	.30	.30
50c	.35	.16	Salmon Gold	3,700	.17	.18	.16	.16
1	.09	.05	Silverado	......	.07	.....	.....	.....
25c	.04¾	.02	Silvercrest	30,500	.02½	.02½	.02	.02½
20c	.17	.04	Silversmith	3,000	.10	.10	.09	.09
50c	.03½	.01	Snowflake	11,000	.01	.01	.01	.01
1	.46	.25	Standard Gold	250	.35	.33	.33	.33
10	6.00	4.75	Sunshine	......	5.75	.....	.....	.....
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.45	Taylor Bridge	40,700	.72	.73	.45	.54
1	.54	.35	Taylor Windfall	500	.37	.35	.35	.35
25c	.05	.04	Thurlow Gold	......	.04	.....	.....	.....
5	.25	.20	Toric	......	.20	.....	.....	.....
50c	.28	.04¾	United Empire	2,000	.15	.15½	.12	.12
No	3.50	1.40	Vidette Gold	1,200	2.18	2.10	2.00	2.00
No	.24	.06½	Viking	11,500	.08	.08	.06½	.06½
No	.27½	.08	Waterloo Gold	2,500	.08	.09½	.08	.09¼
25c	.03	.01	Waverly Tangier new	31,000	.01½	.02	.01	.01
50c	.47	.10	Wayside	305,690	.29½	.29	.10	.10½
20c	.03	.01½	Wellington	7,300	.01¾	.01¾	.01½	.01½
No	.44	.25	White Eagle	900	.28	.28	.25	.26
1	.10¾	.04	Whitewater	9,100	.05	.05	.04	.04
			OIL STOCKS					
1	.15½	.08	Amalgamated	12,700	.13½	.12	.08	.08
1	.08	.03½	Anaconda	4,000	.03½	.03½	.03¾	.03½
No	.12	.05	Askalta	500	.06	.06	.06	.06
1	.10	.10	Brit. Dominion	......	.10	.....	.....	.....
1	.10½	.05	Crow's Nest	6,300	.08	.07	.05	.05
No	.09½	.03	Devenish	500	.03	.04½	.03½	.03½
No	.01½	.00¾	Fabyan Pete.	35,000	.00¾	.00¾	.00¾	.00¾
No	.16½	.06	Freehold	1,175	.07	.09	.06	.09
No	.18	.05	Hargal	1,275	.06	.07	.05	.06
No	.35	.15	High Sarcee	4,600	.20	.20	.18	.20
No	.05	.00¾	Madison	......	.00¾	.....	.....	.....
No	.35	.05	[illegible] Oil	2,785	.07	.07	.05	.06½
No	.05½	.03	McD. Segur Ex.	......	.03	.....	.....	.....
1	.47	.25	McLeod	2,325	.32	.32	.25	.30
No	.22	.12	Mercury	8,825	.13	.14	.12	.14
No	.22	.10	Mill City Pete.	500	.12	.10	.10	.10
1	.33	.20	Model	150	.20	.20	.20	.20
No	.18	.06	Okalta	2,000	.07	.06½	.06	.06
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.06	Pacalta Oil	3,000	.06	.07	.06½	.07
No	.75	.14	Ranchmen's	725	.70	.65	.60	.65
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	......	.20	.....	.....	.....
No	.11½	.04½	United	3,200	.05	.05	.04½	.05
No	.50	.11	Vanalta	8,850	.20	.20	.16	.17
1	.20	.16	Vulcan	......	.16	.....	.....	.....
1	.35	.15	Wellington Oil	......	.33	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas†	2c.	.....	McIntyre	1.62½	3.43
Ajax Oil	8c.	7.14	Mercury Oils	4c.	.....
Bralorne	60c.	4.02	Merland Oils*	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew.	92c.	8.36	Noranda‡	$1	.....
Coniagas‡	12½c.	.....	Petrol Oil‡*	1c.	.....
Cons. Smelters	1.50	.....	Premier	12c.	9.91
Dome Mines	$2+$1.50	8.28	Pioneer, B.C.	60c.	4.61
Falconbridge	5c.	.....	Royalite	50c.	.....
Goldfield Cons.‡*	5c.	.....	San Antonio†	5c.	.....
Hollinger	65c.+30c.	5.44	Siscoe	12+3c.	.....
Howe Sound	$3	.....	Sunshine Min.	5+7c.	.....
Howey Gold	6c.	.....	Sylvanite	20+5c.	.....
Int. Coal & Coke‡	1c.	.....	Teck-Hughes	60c.	9.02
Int. Nickel c	10c.	.....	Wright-Har.	40+10c.	5.43
Lake Shore	$2+$1	5.67			

‡Interim. †Initial. *Paid in 1933.

Unlisted Mining Stocks

June 26, 1934

	Bid	Asked
Adanac	..	.20
Arntfield Gold	.70	.78
Arntfield Synd.	.70	.78
Assoc. Gold M. & F.	1.05	1.15
Astoria Rouyn	.09	.11
Bankfield Gold	.50	.51½
Bathurst	.03	.05
Beattie	1.34	1.38
Bidgood	.03½	.04½
Big Long Lac	..	.18
Black River	.28	.31
Bussieres Min.	.60	..
Calder Bosquet	.25	.30
Can. Pandora	.13	.15½
Can. Radium	.06	.10
Canusa Mining	.06	.08
Casey Contact	.29	.31
Casey Summit	.65	.75
Cen. Malartic	13.00	17.00
Cent. Porc.	.49	.54
Clover G. Units	..	43.00
Cochenour Wil.	70.00	85.00
Columario (old)	.15	.20
Condor. Cons.	.30	.33
Continental Kirk.	..	.07
Craw. Sud. Syn.	..	12.50
Crown Reserve	.05½	.07½
Cuniptau	.48	.58
Delta Units	45.00	65.00
Demers Placer	.85	.90
Domest. Gas	1.50	2.00
Dorval Siscoe	15.00	18.00
Dunlop Cons.	.01½	.02½
Eagle Oil	.65	.75
Excello Mines	.25	.28
El Bonanza	.16	.20
Fiske	.01	.03
Fleming Thomp.	55.00	75.00
Francoeur Mines	.18	..
Glenora Gold	.28	.34
Gold Eagle	.47	.50
Golden Summit	.23	.25
Goldside Stk.	.25	.30
Gr. Bear Dev.	.20	.25
Gr. Bear Lake	.27	.37
Gabrielle	.67	.72
Hardrock	.70	.75
Hardrock Units	60.00	64.00
Herbin L. Un.	18.00	22.00
Horseshoe	.08	.10
Hudson Pat.	.56	.59
Internat. Gold	..	.34
Island Lake	.08	.12
Johnson Nipigon	..	.23
Kenty Gold	..	.70
Jomac Synd.	32.00	35.00

	Bid	Asked
Kirk. Gold	.24	.28
Kow Kash	.03	.05
Lafayette L. Lac	.14	.17
Lake Geneva	.10	.15
Long Lac Adair	.36	.40
Long Lac Lag	.35	.38
Lamaq. Contact	..	.22
Lamaque Gold	2.00	2.40
McCarthy Webb.	.05	.07
McL. Cockshutt	.49	.52
McQuaig R. Lake	.40	.43
Matachewan Can.	.14	.17
Metals Devel.	.06	.07
Middle Bay	.28	.31
Miller Indep.	..	.35
Minefinders	2.00	3.00
Martin-Bird Un.	20.00	23.00
Murwood	.31	.35
Mosher Gold	.24	.27
Mont. Acker.	..	.30
N.A.M.E. Units	11.00	13.00
Newroy Gold	.25	.35
Normetal Mine	.45	.50
North West Min.	.22	.25
N. Tiblemont Units	5.00	10.00
O'Connell Gold	..	.38
Peninsular Pet.	.00½	.01
Pontiac Rouyn	.63	.68
Powell Rouyn	.95	1.10
Que. Eureka	.09	.12
Queen Lebel	.15	.20
Red Lake Gold	..	.22
Rouyn Reward	.34	.36
Roche Long Lac	.25	.27
Rubec	.03½	.04½
Scotia Gold	.32	.37
Senneterre Gold	9.00	14.00
Silveradium U.	100.00	130.00
Silver Valley	.03	.05
Smelter Gold	.29	.31
Sourdough Un.	5.00	10.00
So. McK. Island	.33	.35
Supreme Gold	.17	.19
Talisman Gold	.28	.34
Tashota Goldfield	.37	.42
Tiblemont Island	1.03	1.10
Titurno Units	..	20.00
Toburn	1.35	1.40
United Gold	1.00	1.10
Upper Can. Gold	.26	.28
Wendigo	.68	.74
West Red Lake	.16	.20
Young Davidson	.35	.40
Wingold	.35	.39
Wanapitei	..	27.00

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
June 27, 1934

Issue	Rate	Maturity	Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	106.75	107.25	2.20
†Dominion	5½	1 Dec., 1937	108.50	109.00	2.78
Dominion	5½	1 Nov., 1934	100.70	100.90	2.91
Dominion	3½	15 Oct., 1935	100.75	101.25	2.51
Dominion	4	15 Oct., 1935	101.25	101.75	2.65
Dominion	5	15 Nov., 1936	104.50	105.00	2.85
Dominion	4	15 Oct., 1939	102.75	103.25	3.33
Dominion	4½	1 Sept., 1940	106.00	106.50	3.32
Dominion	5	15 Nov., 1941	108.00	108.50	3.68
Dominion	5	15 Oct., 1943	108.75	109.25	3.81
Dominion	4½	15 Oct., 1944	105.75	106.25	3.76
§Dominion	4	15 Oct., 1943-45	101.65	102.10	3.73
Dominion	4½	1 Feb., 1946	105.75	106.25	3.85
§Dominion	4	15 Oct., 1947-52	101.50	102.00	3.81
§Dominion	4½	1 Nov., 1946-56	104.50	105.00	3.99
§Dominion	4½	1 Nov., 1947-57	104.50	105.00	4.02
§Dominion	4½	1 Nov., 1948-58	104.50	105.00	4.04
§Dominion	4½	1 Nov., 1949-59	104.75	105.10	4.08
		(with talons)			
xCan. Nat. Ry.	4½	1 Sept., 1951	106.50	107.25	3.91
*Can. Nat. Ry.	4½	1 July, 1957	106.25	106.75	4.09
Can. Nat. Ry.	5	1 Feb., 1954	111.00	111.75	4.13
xCan. Nat. Ry.	4½	15 June, 1955	109.00	109.75	4.06
xCan. Nat. Ry.	4½	1 Feb., 1956	106.50	107.25	4.00
xCan. Nat. Ry.	4½	1 Dec., 1968	105.50	106.25	4.13
§xCan. Nat. Ry.	5	1 Oct., 1969	111.75	112.50	4.16
§xMontreal Harbor Cm.	5	1 Nov., 1969	113.50	114.25	4.01
*Alberta	4½	1 Oct., 1956	88.50	89.50	5.30
Alberta	6	1 Mar., 1947	101.00	102.00	5.78
*British Col.	4½	1 Oct., 1953	87.00	89.00	5.42
British Col.	5½	1 Feb., 1945	96.00	97.00	5.87
British Col.	6	15 Feb., 1947	99.25	100.25	5.98
xManitoba	5	2 Dec., 1959	95.00	96.00	5.28
Manitoba	5½	1 Oct., 1955	97.00	98.00	5.66
Manitoba	6	1 Apr., 1947	100.50	101.50	5.85
*N. B.	4½	15 Apr., 1960	104.50	106.00	4.36
N. B.	5	2 July, 1963	110.00	111.50	4.31
N. B.	5½	15 May, 1950	109.50	111.00	4.53
N. Scotia	4½	15 May, 1943	103.00	104.50	3.90
*N. Scotia	5	1 Mar., 1960	111.00	112.00	4.23
xOntario	4	1 June, 1962	100.25	101.25	3.93
xOntario	4½	1 Sept., 1944	105.75	106.75	3.72
Ontario	4½	1 June, 1950	104.50	105.00	4.07
xOntario	5	2 Dec., 1960	113.75	114.25	4.11
Ontario	5½	1 July, 1946	112.25	113.25	4.09
§Ont. H. C.	3½-4-5	1 Oct., 1952	97.25	98.00	4.05
xOnt. H. C.	4	1 Aug., 1957	99.75	100.75	3.93
Ont. H. C.	4½	1 Jan., 1970	108.00	109.25	4.24
Quebec	4½	1 Aug., 1958	102.50	103.50	4.02
Sask.	5	1 Aug., 1958	88.50	90.00	5.81
*Sask.	5	1 Nov., 1959	89.25	90.25	5.73
Sask.	5½	1 Oct., 1952	94.50	95.50	5.90
Sask.	6	15 Mar., 1952	98.00	99.00	6.11
*Calgary	5½	2 June, 1944	90	93	6.32
*Edmonton	5½	1 Nov., 1945	90	93	6.37
*Halifax	5	1 July, 1961	108	109½	4.39
Hamilton	5	1 May, 1950	108	109½	4.18
Montreal	5	1 Mar., 1945	101	103	4.65
Ottawa	4½	1 July, 1945	103½	105	3.93
*Quebec	5	1 June, 1959	102½	104	4.72
Regina	5	1 July, 1944	80	85	7.12
St. John	5	15 Dec., 1950	106	108	4.33
*Toronto	4½	1 Jan., 1955	104	105½	4.11
Victoria	5	21 July, 1945	91	94	5.72
Winnipeg	5	1 Mar., 1944	93	96	5.52

†Tax Exempt Issues. *Payable in Canada and New York.
x Payable in Canada, New York and London.

NFLD. TO PUSH MINERAL STUDY BY NEW PLAN

New Development Will Centre on Search for Gold

Encouraged by the prevailing high prices for gold, the crown colony of Newfoundland will this year make aggressive efforts to encourage prospecting and mining, and appointed Dr. A. K. Snelgrove, of New York, economic geologist to the commission government. This work will be supplemented by surveys under the auspices of Princeton University.

On arrival in Newfoundland, Dr. Snelgrove outlined his plans for the summer. Areas to be thoroughly explored will include Sops Arm, Mings Bight, Little Bay, Moreton's Harbor, Verran's Island, Cinq Cerf, and Rose Blanche. A fleet of 'planes will be purchased by the new administration to survey the country from the air.

Intensive Study Planned

In addition to seeking gold, Newfoundland plans to push to the fullest extent development of chrome deposits. A paper recently read before the Canadian Mining & Metallurgical Institute on this subject will be Bulletin No. 1 of the geological section of the Department of natural resources.

Dr. Snelgrove's duties will be twofold. He will make geological surveys for the department, and will also act in a consultative capacity to private interests who may have promising mineral prospects. As a result, the new appointee will be in a position not only to advise the prospector on the merit of his property, but put him in touch with interests which would, if the survey warranted, finance development.

For years Princeton University has been conducting surveys of the mineral deposits of this colony. It is the intention of Dr. Snelgrove to expand these surveys in scope and intensity. The mineral prospects of the whole island have been divided into sections, and a geologist appointed to supervise the work in each.

McINTYRE ADHERES TO DIVIDEND PLAN

Will Build Reserves Before Increasing Profits, Says Bickell

That no change would be effected from his present policy of building up reserves, either in ore or cash, rather than paying dividends, was the statement made by J. P. Bickell, president, to shareholders of McIntyre Porcupine Mines at an annual meeting of the company held in Toronto recently.

There were no indications of a higher earning power this year, Mr. Bickell stated, adding that on the contrary, the directors planned to treat a higher tonnage of slightly lower ore, permitting production on $31.50 gold. The grade to be treated will be in the neighborhood of .3 ounces, or about $9 per ton.

Some mild dissension greeted the announcement of a policy of "security before dividends," a few shareholders maintaining the company should modify its present policy and increase dividend payments. This Mr. Bickell intimated, directors' thought not in the best interests of the shareholders. At present, the company's ore reserves were about four years ahead. The company planned to increase this. Only when this had been accomplished would the dividend policy be changed.

The company recently acquired under option about 4,000 acres in Ogden Twp. six miles to the west. The venture was described as a "geological bet," in which it was hoped to duplicate the geological conditions existing at Porcupine. Several diamond drill holes had been sunk, and the indications, were, stated Mr. Bickell that the company's hopes would be realized. The mill will be stepped up slightly.

Hercules Con. Mining Current Assets $26,615

The financial statement of Hercules Consolidated Mining, Smelting & Power Corp., dated April 25, 1934, shows current assets totalling $26,615 including $19,525 in cash, $6,099 accounts receivable, $528 in advances and $463 in inventories. Current liabilities totalled $1,633 comprising accounts payable and wages.

Of the authorized capitalization of $10,000,000 in $1 par value shares 4,013,795 are outstanding. The company owns 64 claims in the Nanaimo mining division of British Columbia at Phillip Arm, also has an option on the old Dorothea Morton property, in all giving the company a length of 3½ miles and a width of 2½ miles along the mineralized zone. The company has presently at work 35 men. In addition it is working five claims in the Cariboo district at Stanley on a royalty basis.

George A. Clothier, formerly resident engineer for the Mines Department of B. C., is consulting engineer of the company. The president is Robert Crowe-Swords of Vancouver.

Movements of Mining Men

W. B. Airth, B.Sc., Toronto consulting engineer, who spent last season at Great Bear Lake, left on June 26, for a six weeks' trip to the area to make private examinations of several properties.

Lee Heidenreich has recently assumed the duties of general manager for McMillan Gold Mines, and is supervising a new programme of development.

Purves E. Ritchie, managing director of Wayside Consolidated Gold Mines, was a recent visitor to Toronto, whence he came on business connected with his company.

Horace G. Young, well known consulting engineer, who opened up the Howey Gold Mines, has left for a trip to Europe of about four weeks duration.

NOTES STILL UNPAID TO BLUEBIRD MINES

Report Shows Principal Liquid Asset in Default Property Inactive

The financial statement of Bluebird Mines presented over the signature of W. S. Norman, president, shows that notes signed by S. W. Miller, the principal asset of the company, is in interest arrears and stands at $87,776. Cash of $615 and inventories of $96 make up current assets of $88,487. There are no current liabilities.

In commenting on the affairs of the company, Mr. Norman states that the company's property in the Slocan mining division of British Columbia remains inactive owing to the low price of silver, but that it has been on the lookout for a gold property of promise. Several have been investigated, but none acquired. While Mr. Miller has not paid anything on account of principal for the notes given, expenditures of the company for the past year have been paid by him. The notes are the outgrowth of conversion of $75,000 in bonds and preferred stock, held by the company, in 1931 into shares of the Stock Exchange Corp. of Vancouver through Miller, Court & Co., Kalso, B.C. Shareholders did not approve of the procedure and in settlement Mr. Miller made an agreement and gave notes undertaking to pay the company $81,800 with interest at seven per cent over a period of three years from that date, which agreement is now in interest default.

Install Mining Plant At Can. Gold Rand Mine

Canadian Rand Gold Mines, owning 47 surveyed claims and 18 fractional claims at McGillivray Falls in the Bridge River area, has a mining plant in the process of installation to aid in an intensive development programme started early this year. The California vein, with an average of four ft. six in. in width, has been opened up and drifted on for over 140 ft. The Colorado vein with an average width of 12 ft., has been stripped for over 1,000 ft. and has also been drifted on. The National vein is also being explored by drifting while the two Idaho veins, averaging three ft. in width have been stripped for a distance of over 2,000 ft. On the Dionite group of claims, five veins which average from three to seven ft. in width have been traced for over 6,000 ft.

The company is headed by General J. Duff Stuart, Vancouver, as president and Arthur Noel as vice-president. Dr. S. J. Schofield is consulting engineer. Financial statement as at April 30, 1934, showed current assets of $17,543 in cash and current liabilities of $1,337. Out of the capitalization of 4,000,000 shares of 50 cents par value 1,995,573 shares were outstanding on April 30 of which 1,625,000 were issued for properties and of the latter 1,400,000 shares in escrow.

Lakeland Gold Mines Plans to Reorganize

Over the signature of F. A. Pollard, president of Lakeland Gold Mines, shareholders are informed that it has been decided to reorganize the company in order to finance the further development of the property.

Int. Nickel Acquires Finnish Concession

Advice from Helsingfors, Finland, states that the Finnish Government has granted to the Mond Nickel Co., subsidiary of International Nickel Co., the sole right to prospect for nickel at Petsamo in Northern Finland.

J. C. Nichols, assistant to the president of International Nickel, visited Finland last summer and it is rumored that as a result of these negotiations the concession was granted. Exploration work is to start before next May and a royalty of five per cent on any production taken is reserved for the Finnish Government.

Porcupine Cr. Subsidiaries To Start Diamond Drilling

Diamond drilling will start in about three weeks time at the subsidiary operations of Porcupine Crown Mines in Chester township, Sudbury mining area, officials advise.

The company owns 23 claims, vested in subsidiary companies, Chester Gold Mines Ltd., and Gomak Mines Ltd. Previous work has consisted of trenching, stripping and tracing eight veins on three of which test pits have been sunk. The company has an authorized capitalization of $4,000,000 in $1 par value shares of which 3,189,055 are outstanding. The company is headed by R. M. West of Toronto as president.

Financial statement as at December 31, 1933, showed current assets totalling $638,527 and current liabilities nil.

CROW'S BLUE QUARTZ MAKES PRECIPITATE

"Mill" Treats 500 Tons of Material But No Refined Gold Yet

Recent visitors to the Amalgamated Goldfields Corp. property in Beatty township, Painkiller Lake area, Ontario, were surprised to find the 25-30 ton mill announced last August treating only from 15 to 20 tons daily, and no gold in the refined state yet reported. This is the latest incarnation of the Blue Quartz mine by H. C. Crow. It is understood that the mill operated throughout May, treating under 500 tons of material. The mill utilizes the cyanide process and while precipitate was in evidence the acquisition of a furnace to smelt the precipitate and recover the bullion had apparently been deferred.

Another Five-cent Bonus for Hollinger Shareholders

Another bonus from Hollinger Consolidated Gold Mines goes forward on July 16, to shareholders of record of June 29. The regular monthly dividend of five cents per share is being paid, plus a bonus of five cents per share.

Metal Prices

New York—June 26—
Copper: Electrolytic spot and future, 9c.
Silver: 45⅛c.

London—June 26—
(Long Ton)—
Copper: Electrolytic spot, £34 15s.; future, £35 5s.; Standard spot, £31 10s.; future, £32.
Tin: Spot, £225 17s. 6d.; future, £225 12s. 6d.
Lead: Spot, £11 2s. 6d.; future, £11 5s.
Zinc: Spot, £13 12s. 6d.; future, £13 17s. 6d.
Silver: 20-5/16d. per ounce.
Gold: 138s. 2½d.

Canada—June 26—
Gold: $34.41.

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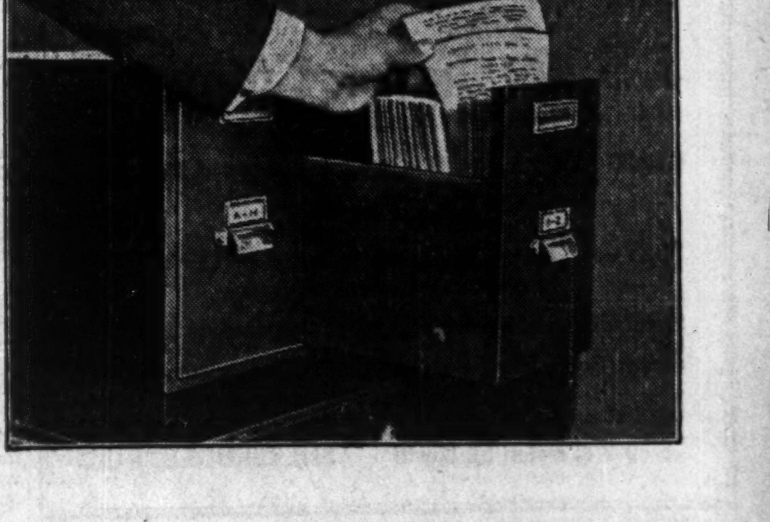

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Grange Mine to Increase Mill to 100 Tons Daily

From Our Own Correspondent

VICTORIA—Sinking of the shaft to the No. 6 level has been completed at the Grange Mine on Pavilion Mountain. The footwall vein entered the shaft 73 ft. below No. 5 level where values of two ounces in gold were reported; at 80 feet the average of three samples showed 2.5 ounces.

At the sixth level the vein is over four ft. wide and averages over 2.5 ounces gold per ton.

The mill has been operating since the first of the year. It is to be increased from its present rate of 40 tons a day to 100 tons a day.

Bear River Valley, B.C., Gets Renewed Attention

From Our Own Correspondent

VANCOUVER—Clay Porter, who gave his name to Porter-Idaho, for some years one of the most active properties in the Portland Canal district, has returned to the field and is now interested in mining property in the Bear Rivery Valley, near Stewart.

He says that his Mobile group looks better at this stage than did Porter-Idaho when he took charge of it.

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SLIGHT DECREASE IN TURNER OUTPUT SHOWN IN APRIL

First Large Gas Well Reported from Ribstone-Blackfoot, Sask.

Output from the petroleum and natural gas fields of Western Canada showed slight decreases all along the line, according to a summary of development up to June 7, 1934. Following were the wells that showed some activity in the previous month:

Twin River: The Nordon-Roney well on L.S.11 of section 2-2-20-W, 4th, which was treated with acid is now being produced. The new pump is being brought in.

Del Bonita: it is reported that the Nordon Corp. are arranging for the drilling of a well in this area, but exact location has not been announced.

Red Coulee: Vanalta No. 6 well has been located on L.S.3 of section 4-1-16-W-4th, and is the first drilling to be done on the Canadian end of this field for some time.

Waterton Lake Area: Oil City Royalties were reported to be running casing in their well in this district, which was drilled to a depth of 1,584 feet.

Strike Unconfirmed

Lundbreck: Raven Oils No. 1 has resumed drilling and is reported to be down over 300 feet. It is reported that E. S. Cunningham Craig intends to start work on the Quainch structure and that Prairie Royalties-Mar-Jon interests are making a location on the Watson structure.

Highwood: Work is being resumed on the Banner well which has been standing at 596 feet since 1930.

Aldersyde: Ranchmen's No. 1 well in this field is still standing at 6,250 feet. The reported strike of gas and oil in this well has not been confirmed. The company has not issued any statement.

Pekisto structure: Pekisto Hills No. 1 is reported to have encountered the Madison line at 870 feet. A ten-inch casing has been run and cemented into the limestone.

Turner Valley: The Oliver well which has been started in this section was taken over by Highwood Royalties and has won 21½ increasing to 115 feet. Prairie Royalties have made a location and a cellar is being dug for this well. Union Freehold has been cleaning up the Union Drilling Company's well and is reported to be near the bottom which is at 2,745 feet.

Look For Big Producer

Meyers and Wright wells are reported to be drilling below 300 feet. Highwood-Sarcee on L.S. 16 has been drilling into the limestone and a wet gas flow of over 13 million feet has been reported. Drilling has been continued into the porous horizon and it is expected that this well will prove to be a large producer. In section 27C & E, Longview No. 1, on L.S. 5 is drilling into the limestone at 6,120 feet. Some difficulty has been experienced in circulation.

Turner Valley central area: Okalta No. 4 on L.S. 8 of section 1-20-3-W is fishing for bottom of bailer at 3,950 feet.

Waite Valley: Abandonment of Brock No. 1 on L.S. 2 of section 35-20-4-W has been completed.

Birch Ridge: The well on L.S. 3 of section 6 which Prairie Royalties-Mar-Jon interests are to drill is being rigged up after technical spudding.

Moose Mountains: The Elbow well has been shut down at 4,369 feet. Some gas was encountered at 4,313 feet.

Hunter Valley: Hunter Valley No. 1 is reported at 2,212 feet.

Large Sask. Well

Two Hills: Frontier-Brasseau well on L.S. 8 was drilled to 1,682 feet. A dry gas flow of about 4 m.m.c.f. was encountered at 1,340 feet. Water was encountered at lower level and the well has been abandoned.

Saskatchewan: Dirt Hills; Pine Hill well on L.S. 8 section 23-12-24-W 2nd near Avonlea, Sask., has been standing at 2,938 feet and is to resume drilling.

Wilcox: It is reported that the Blackfoot Oil Company has let a contract for drilling a well in this field.

Ribstone-Blackfoot: The Lloydminster Gas Co.'s well was completed to 1,974 feet on March 30. Six and five-eighth well casing was commenced at 1,958 feet. Gas flow measures 16,750 m.c.f. per twenty-four hours, pressure 565 pounds. This is the first large gas well to be brought in in Saskatchewan.

Lone Rock: Alcoba Oil and Gas Co. are preparing to drill in this area which is about 16 miles south and nine miles east of Lloydminster well. A rig is being moved from North Western Utilities No. 2, Kinsella, to this location.

British Columbia: Fraser Delta; Noble Francis Oil and Gas Co. is drilling south of New Westminster.

Kamloops and Compton River: The possibility of oil and gas exploration in this district is being reported.

The following is a tabulation of the output of various Turner Valley wells in April as compared to their output in March:

Turner Valley—	April Bbls.	March Bbls.
Advance	815	808
Assoc. O. & G.	298	322
Baltac	108	124
Dalhousie	833	1,011
Foothills	2,474	2,576
Freehold-Mar-Jon	5,614	6,118
Home Oil	1,413	1,845
Lowery Pete.	348	354
Merland	5,389	6,016
Royalite	40,675	43,656
A. Pac. Con.	151	158
Calmont	252	414
Mayland	2,396	2,914
Southern Lowery	1,888	2,316
Southwest Pete.	169	216
Sterling Pacific	3,834	4,126
Anaconda	4,849f	5,845
British Dominion	198	219
Com. Pete.	468	552
East Crest	1,344	1,746
Freehold	79	108
Hargal	78	77
Highwood-Sarcee	363	1,315
Homestead	168	186
Hylo	1,949	2,360
Mar Jon	965ef	166
McLeod	401	427
Mercury	4,420	5,483
Miracle	6,872	7,880
Mid-Field	107	127
Model	5,109†	5,160
New McD.-Segur	750e	984
Okalta	705	769
Regent	127	168
Richfield	245	272
Spooner	590	821
Sterling Royalties	6,589	7,389
Structure-Wayne	217	224
Vulcan	80e	92
Wellington	252	333
Widney	274	560
Total	102,856	116,237

Red Coulee-Border-Keho—		
O'Neil	471	*
Vanalta	1,358	*
Nordon-Roney	232	*
H. B.-Keho	19	*
Total	2,080	
Wainwright—		
Sasko-Wainwright	296	*
Onalto	198	*
Gold Standard	13	*
Total	507	
Grand total	106,443	

Recoveries at absorption plant are here credited entirely to Royalite.
e—Estimated. f—Corrected.
* Not given.

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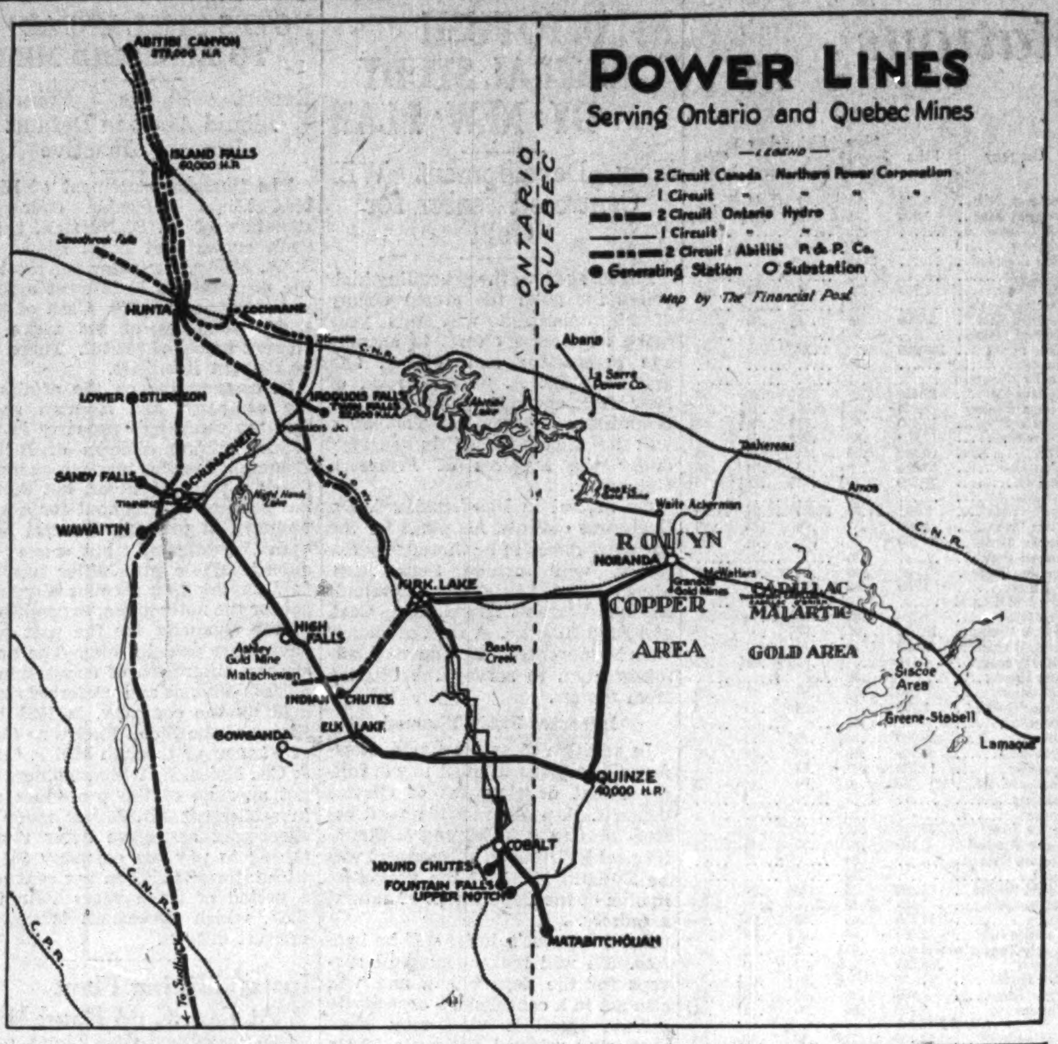

Vein Like Power Lines Staging Rapid Growth

Many Mining Companies to Sign Contract as Construction Continues in Quebec and Ontario

Slowly but surely a vein-like network of power lines is being spread over Northern Quebec and Ontario, bringing life-giving electricity to countless mining properties in various stages of growth.

Most recent spurt in this movement has taken place in the gold fields of Northern Quebec, where five new mines, including two regular producers, will switch from steam or Diesel power to electricity by July 1.

Extending its line 100 miles east from Noranda, the Northern Quebec Power Co. has already made a connection with the Cadillac-O'Brien Mine in Cadillac twp. This line which gets its power from the Quinz Plant on Quinz River, carries 110,000 volts. With branch lines, feeders and sub-stations, it represents a total expenditure of about $100,000.

Great Possibilities

Other mines which, it is reported, have or will take advantage of this new source of energy are the McWatters Gold Mine, which is expected to be in production this summer; Cadillac-O'Brien, which has been in production for over a year; Thompson-Cadillac, whose mill is now under construction; Greene Stabell Gold Mines, which started its mill under steam power last November, and Lamaque Gold Mines, a healthy looking prospect, which, although officials have made no mill announcement, is reported to have done development work of considerable proportions.

In addition to these major mines, there are a host of prospects all along the line, many of which are bound, in the near future, to be in a position to get their power from the new line.

By extending only about 30 miles east of Lamaque, this line will be able to serve the promising golf prospects of that area.

In all this area, the only advanced producers which have failed to sign up with Northern Quebec on a life-of-mine basis have been Siscoe and Sullivan.

In the Ontario field steady progress has been made. Last winter the Hydro-Electric Power Commission completed its line from Iroquois Falls to Kirkland Lake and entered into a contract with Canada Northern Power Co. to supply 10,000 h.p. to supplement that company's power resources in this area. Then a branch line from Kirkland Lake westward to serve the Young Davidson property, controlled by Hollinger and the Matachewan Consolidated, operated by Ventures, was constructed.

Power For Swayze Field

When power is required for the Swayze field, the Commission is ready to provide it by the comparatively simple expedient of tapping its Sudbury line near West Tree.

For the past five years, the Hydro has supplied Howey mines in the Patricia district. Proposals are now under way to extend this in order to meet the demands of McKenzie Red Lake, whose mill is expected to turn over this year. The Commission also has a power source under construction in the Albany River, about 20 miles south of Pickle Crow, also expected to start its mill this winter, and Central Patricia, whose mill started this spring.

Another recent achievement of the H.E.P.C. is the extension of their Nipigon power line to the Northern Empire Mines, operated by Newmont at Beardmore. This mine is already using power to operate its mill, which started this spring.

A contract between the Hydro Commission and McMillan Gold Mines, providing for a supply of power to the company's properties ten miles south of Espanola, was recently signed. At the time this agreement was signed, Hon. J. R. Cook, Commission chairman, stated that revenue from northern properties of the Commission in 1933 is expected to be sufficient to meet all administration expenses, operation, maintenance and all interest charges on the investments.

Hedley Amalgamated Has Commercial Ore

From Our Own Correspondent

VICTORIA—Some 14,000 tons of ore, averaging $10.60 per ton, has been blocked out in the Red tunnel at Hedley Amalgamated Mines, it is reported by officials of the company.

A 30 ft. crosscut on the Red tunnel has revealed arsenopyrites in layers similar to the formation in the Nickel Plate mine and has assayed between $17 and $21 a ton. A further body of pyrotite carrying gold values of $16.32 a ton is reported to have been located on the 20-mile side of the creek.

Encounters Ten-foot Vein in Butte I.X.L. Tunnel

From Our Own Correspondent

VICTORIA—A vein ten feet wide and carrying free gold has been encountered in the main crosscut tunnel at Butte I.X.L. Gold Mines in the Bridge River area, according to P. E. Peterson, M.E. who has just reached the coast from the Bridge River property.

Mr. Peterson stated that the crosscut started at 150 feet in the main shaft struck the vein after a short distance had been covered.

Mines Pay $30,000,000

Total dividends and bonuses paid by Canadian mining companies during 1933 are estimated by the Department of Mines to amount to $30,000,000, compared with $26,500,000 in 1932.

Sullivan's President

ALFRED H. PARADIS

Newly elected president of Sullivan Consolidated Mines. He is also a director of Asbestos Corp. of Canada, Beaufor Gold Mines, Champlain Oil Products, president of Paradis & Sons, Montreal.

Mining Concerns Newly Formed

Algoma Summit Gold Mines—Ont. Incorp. May 17; H.O. Toronto; Capit. author. $5,000,000, par $1.

Bourbeau Lake Chibougamau Mines Ltd.—Ont. Incorp. May 15, H.O. New Liskeard; Capit. author. $30,000, par $1.

Canadian Slate Mines—Ont. Incorp. May 22; H.O. Toronto; Capit. author. 1,000,000 n.p.v. shares.

Craig Gold Mines—Ont. Incorp. May 19; H.O. Madoc; Capit. author. $5,000,000 par $1.

Chromium Mining & Smelting Co.—Ont. Incorp. May 12; H.O. Hamilton; Capit. author. 3,000,000 shs. of n.p.v.

Foley-O'Brien Corp.—Ont. Incorp. May 21; H.O. South Porcupine; Capit. author. $2,100,000, par $1.

Gosark Golds Ltd.—Ont. Incorp. May 18; H.O. Toronto; Capit. author. $1,000,000, par $1.

Graham Bousquet Gold Mines—Ont. Incorp. May 15; H.O. Toronto; Capit. author. $3,000,000 par $1.

Jellicoe Gold Mining Co.—Ont. Incorp. May 17; H.O. Toronto; Capit. author. $3,000,000, par $1.

Key Properties Ltd.—Ont. Incorp. May 14; H.O. Toronto; Capit. author. 40,000 shs. of n.p.v.

Lac Development Ltd.—Ont. Incorp. May 22; H.O. Leaside; Capit. author. $100,000 par $1.

Lake St. John Gold Ltd.—Que. Incorp. May 11; H.O. Roberval, Que.; Capit. author. $3,000,000 par $1.

Middle Bay Mines—Ont. Incorp. May 18; H.O. Toronto; Capit. author. $3,000,000, par $1.

Minemakers Ltd.—Ont. Incorp. May 16; H.O. Toronto; Capit. author. 20,000 shs. n.p.v.

Nugold Mining Corp.—Ont. Incorp. May 16; H.O. Toronto; Capit. author. $3,000,000, par $1

Orecana Ltd.—Ont. Incorp. May 21; H.O. Toronto; Capit. author. 100,000 of n.p.v.

Payore Gold Mines—Ont. Incorp. May 25; H.O. Toronto; Capit. author. $4,000,000 par, $1.

Red Crest Gold Mines—Dom. Incorp. May 15; H.O. Montreal; Capit. author. 3,000,000 shs. of n.p.v.

Richelieu Gold Mines—Ont. Incorp. May 18; H.O. Toronto; Capit. author. $3,000,000 par, $1.

Sinclair Mines Ltd.—Ont. Incorp. May 15; H.O. Sault Ste. Marie; Capit. $1,000,000, par $1.

Thunder Bay Gold Mines—Ont. Incorp. May 21; H.O. Toronto; Capit. author. $3,000,000 par, $1.

Timagami Gold Mines—Ont. Incorp. May 19; H.O. Toronto; Capit. author. $2,000,000 par, $1.

Two Brothers Valley Gold Mines—Dom. Incorp. April 5; H.O. Calgary; Capit. author. 5,000,000 shs. of n.p.v.

More B. C. Coal

British Columbia coal production during April amounted to 100,668 tons compared with 82,494 tons the previous April. Vancouver Island mines produced 42,923 tons as compared with 38,623 tons in April, 1933.

Northern Saskatchewan Scene of Mining Activity

From Our Own Correspondent.

REGINA—Activity in north Saskatchewan mining camps is now under way on numerous properties. Preliminary development of the Beda chain of 30 claims at Douglas Lake, six miles southwest of Flin Flon has started under H. A. Smith, of Winnipeg, with ten men. This property which came into the limelight one year ago when John Beda reported a find has shown surface assays of $11.57 to the ton on a $20 an ounce basis. The J. D. Perrin interests have an option on the property.

The shaft sinking on the Henning-Maloney property, six miles from Flin Flon on Bootleg Lake has reached a depth greater than 170 ft. with cross cuttings started east and west at the 150 ft. level.

There are four veins in the property says P. J. Maloney and they have been traced 500 feet. Operations are under way on No. 1 vein.

Men are already at work on the Prince Albert group of claims, originally staked by Tom Creighton, Leon Dionne, John and Jack Mosher on behalf of a group of Prince Albert businessmen before the war. They staked 13 claims and others were turned over to the Beaver Lake Gold Mining Company, Ltd., incorporated in 1914. The claims are on the northwest shore of Beaver or Amisk Lake, as it is now known. During the war the company was compelled to give up 27 claims but secured title to five claims and a 21 year lease on the small Roland claim This property is 15 miles by air from Flin Flon.

Windpass Profit Is $1,000 Per Day

From Our Own Correspondent

VANCOUVER — The Windpass mine on the North Thompson, near Kamloops, is yielding a profit of about $1,000 a day, according to its operators. In two months four carloads of high grade ore have been shipped to the Trail smelter, averaging 4.52 ounces of gold to the ton, 2.93 ounces, 7.9 ounces and 8.85 ounces. Twenty-nine tons of concentrate averaged 18.66 ounces and about 40 tons averaged thirty ounces.

W. R. Wilson is president of the company, A. B. Trites vice-president and Byron Wilson, formerly of Hecla Mining Co., Wallace, Idaho, is resident manager.

Kirkland Eastern Mines Arrange Financial Deal

At a recent meeting of Kirkland Eastern Gold Mines shareholders the new financing deal with the Federated Mining Corp. was announced whereby the latter firm, buys 200,000 shares at 15 cents with a down payment of $5,000 to be made on July 1. Under the terms of the agreement monthly payments of $5,000 are due. An option is also given on the purchase of 200,000 shares at 20 cents, payments to start January, 1935, and be made monthly. The third group of 200,000 shares is under option at 25 cents with monthly installments starting July 1, 1935. A fourth option agreement calls for 400,000 shares to be taken up at 50 cents with 12 monthly payments during 1936.

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FOUR NATIONS

Consolidated Gold Mines Limited

In a telephone conversation with the Manager of the **FOUR NATIONS** mine he informed the Managing Director that he got into a mass of chalcopyrites with porphyry intrusion, of which assays will be available in a day or two. **This was encountered at about 1,000 feet north of the shaft** — presumed to be the **BONANZA DYKE,** where free gold was encountered on surface for quite a distance.

The north part of the property **has proven so far up to expectations;** in fact better than expected. This establishes the potential possibilities of FOUR NATIONS becoming another producer in the Kirkland Lake ore producing zone. **A mill is contemplated immediately.**

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Petrol Oil & Gas Declares 3 Cent Interim Dividend

Petrol Oil & Gas Co. has announced an interim dividend of three cents per share payable July 3, 1934, to shareholders of record June 23.

By supplementary letters of patent dated December 20, 1933, the capitalization of the company was reduced when the par value changed from $1 each per share to no par value. The exchange basis was one new share for every five shares previously held. Shareholders who have not converted their stock will be required to do so if they wish to participate in the dividend, according to official advice.

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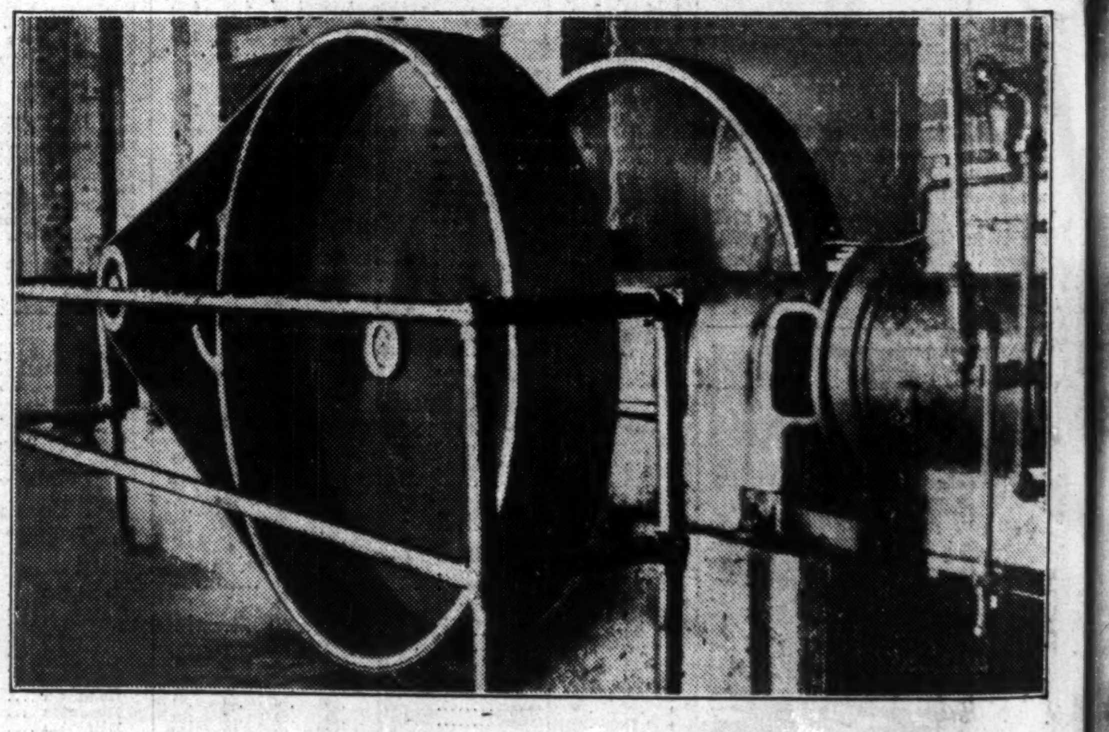

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